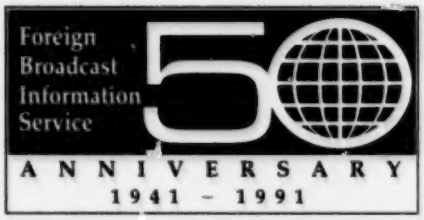

Daily Report

Latin America

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Cuba

Malmierca on Russian Oil for Cuban Sugar

PA2812185991 Paris AFP in Spanish 1424 GMT 28 Dec 91

[Text] Madrid, 28 Dec (AFP)—Cuban Foreign Minister Isidoro Malmierca said in Madrid on 28 December that Cuba reached an agreement with the Russian Federation in the last few days to exchange sugar for oil, and that it is discussing other agreements with other members of the Commonwealth of Independent States (CIS).

In statements to the press during a technical stopover at the Madrid-Barajas airport following a trip to India, Malmierca did not provide details of the agreement. He added, however, that his country has offered to establish diplomatic, economic, and trade relations with most of the CIS member-states.

Questioned about dissidents in Cuba, Malmierca said that if Spain or another European country is interested in receiving any of these people, "we would fully agree to have them travel abroad." "There are no great obstacles; we are willing to cooperate," the minister stressed.

He added that poet Maria Elena Varela could be included among these people.

Relations With Former USSR in 1991 Viewed

PA2912024191 Havana Radio Havana Cuba in Spanish 0100 GMT 28 Dec 91

[Commentary by Mercedes Rosende]

[Text] The problems surrounding the shipment of Soviet supplies to Cuba persisted in 1991 despite the former USSR Government's determination to honor its commitments to the island. The internal problems faced by this multinational state in its attempt to safeguard its own integrity and overcome chaos have brought about an involuntary blockade, which—added to other problems, such as the end to the shipment of supplies that used to come from the now defunct socialist community and the prolonged embargo of U.S. imperialism—provoked the establishment in Cuba of the special period in peacetime.

As of December, the former USSR had failed to send Cuba more than 1 million tons of petroleum. In 1990 the USSR had already failed to supply 3.4 million tons of fuel; Cuba received only 10 million tons. To cover its basic and development needs, the island needs a minimum of 13 million tons of petroleum. However, this year's plan was drafted on the basis of the 10 million tons agreed upon with the USSR.

As for other products, it suffices to point out that as of the end of November, Cuba had received less than 50 percent of the agreed upon food supply. In certain cases, Cuba had stopped receiving certain products, especially rice, frozen fish, and meat preservatives. Cuba received only half of the promised supply of peas, one-third of condensed milk, and 47 percent of flour. There was also a reduction in Soviet shipments of raw materials that are essential for industry; equipment for agriculture, construction, and transportation; and spare parts for appliances and public transportation vehicles.

In November in Moscow, then Foreign Minister Eduard Shevardnadze and Cuban Foreign Trade Minister Ricardo Cabrisas voiced their interest in accelerating the development of economic ties, but current Soviet reality renders the future of such plans uncertain.

Also in November, official talks began between Cuba and the USSR on the presence of a Soviet military brigade that had been stationed in Cuban territory for the past 29 years. Special Ambassador Vyacheslav Aleksandrovic Ustinov headed the Soviet delegation and First Vice Foreign Minister Alcibiades Hidalgo headed the Cuban delegation.

During a joint news conference in Moscow in September, following bilateral talks between Mikhail Gorbachev and U.S. Secretary of State James Baker, the then Soviet president announced his government's decision to withdraw the military brigade from the island. The unilateral decision had serious political implications that jeopardized Cuba's security and was tantamount to giving a green light to the United States to implement its aggressive plans against the Caribbean country.

An editorial from the official GRANMA newspaper, published on 14 September, stated that Cuba would be willing to accept the simultaneous withdrawal of the Soviet military personnel and the U.S. military personnel from the Guantanamo Naval Base. This would constitute, the GRANMA editorial added, the only equitable, just, and honorable thing to do within the current circumstances.

In December, in the wake of the disappearance of the USSR as a state, President Fidel Castro announced the Cuban Government's decision to recognize the former Soviet republics as new independent states and establish, to the extent possible, trade, diplomatic, and political relations with them for the mutual benefit of the parties.

Justice Minister on Drug Agreement With Colombia

PA2712225491 Havana Radio Havana Cuba in Spanish 0100 GMT 27 Dec 91

[Interview with Justice Minister Carlos Amat by Pedro Martinez during the 10th session of the National Assembly of the People's Government, ANPP, at the Palace of Conventions in Havana, date not given—recorded]

[Text] [Martinez] Minister Amat, Colombia and Cuba recently came to certain agreements on drug trafficking. I would like to know the importance and the meaning of these agreements.

[Amat] First, let me say that Cuba and Colombia, represented by the Colombian minister of justice, have signed a letter of intention. It is not specifically on drug trafficking, but on judicial assistance and the exchange of information about all aspects on the fight against drugs.

Cuba is ready to offer to Colombia or any other country all the necessary cooperation and assistance to fight drugs. Several agreements and letters have been signed with other Latin American countries on this issue. We are strongly convinced that the fight against this terrible plague called drug trafficking must be a common and joint effort. The political desire must exist to overcome all the difficulties and obstacles that this criminal activity brings to our continent.

[Martinez] The Cuban situation, when compared with that of other countries, is not exactly the same. The drug related problems in Colombia are not the same in Cuba. Cuba does have, however, a very important geographical position and many drug traffickers have come to Cuba; some by boat, others by plane, and even some packages have been washed ashore.

Do you believe that agreements could be reached with, for example, the United States, which is the country that is most affected by the consumption of drugs?

[Amat] We are consistent with our government's position to offer all types of assistance in this fight. We are ready to reach agreements in this area with the United States and any other country. Of course, there must be a political will to do so.

Whenever the United States is interested and feels that it can use our information, there is nothing to impede us from discussing the issues and reach an agreement, or even a letter of intention, which would facilitate judicial assistance in this field.

[Martinez] We have seen that this letter of intention, signed by the ministers of justice of Cuba and Colombia, has had a great impact in Colombia. Do you believe that this is due to some fundamental element, or is it due to the drug situation in Colombia and the need of the Colombian Government to face the drug threat?

[Amat] I believe that Colombia has a very special situation, within the drug trafficking scenario. It is well-known that this country generates a significant amount of the drug trafficking that goes on in the area. Recently, there has been the will, the determination, and the serious effort to take action and find a solution to this problem. Colombian Justice Minister Fernando Carrillo recently pointed out that consumption in Colombia is not the most difficult problem, as it is not as widespread as it is in the United States, for example. Trafficking is what worries them, and more importantly, production. To fight this, plans have been drafted and there has been a bloody fight that cost the lives of many government and judicial officials.

I believe that this agreement with Cuba will allow Colombia to exchange information that will play an important part in their overall analysis and their fight against drugs and drug trafficking. As you said a moment ago, the situation in Cuba is not the same as in other countries. This is absolutely true. We do not have a problem of consumption inside Cuba. Nevertheless, this does not exempt us from the drug problem. Cuba is on the route that South American drug traffickers use on their way to the United States. It is no wonder that Cuba has geographically been called the key to the Gulf. We are in a privileged position between these two continents, and it is this geographical position that makes Cuba a base for....[pauses] creates the possibility of a base for this type of activity. Our authorities have conducted serious raids and close surveillance. There have been cases of drug packages dropped into the Caribbean Sea by airplanes leaving Colombia. In some cases, the people in boats from the United States have not been able to collect all the packages, or they lose some. As you said before, they can then be washed up on our coast. This, in fact, has happened on occasions, and luckily our citizens and surveillance personnel have notified the authorities. What would happen if conscientious citizens or surveillance personnel do not find one of those packages? This could be taken as an opening for drugs, which is a danger to our society. Because of this, surveillance is being doubled to avoid the effects, not only of local consumption, but of drug trafficking mostly from South America to North America.

[Martinez] Could the signing of this letter of agreement be seen as another step in the process of normalization, reestablishment, and reinforcement of relations between Colombia and Cuba?

[Amat] I personally believe so. When the government of a country has the will to speak to the government of another, and to find common solutions and share experiences, it is also in a position to improve and broaden those relations. Within the context of the present relations between Cuba and Colombia, we can call this another step toward joining our efforts and our interests in South America.

[Martinez] Thank you.

Haitian Prime Minister Crisis Reported

FL2812132591 Havana Tele Rebelde Network in Spanish 1200 GMT 28 Dec 91

[Text] Caribbean diplomatic sources have asserted at the United Nations that the Haitian military junta and the de facto authorities are blocking the holding of a parliamentary session to select a new prime minister. Haitian legislators were scheduled to meet this week to vote on a replacement for deposed Prime Minister Rene Preval but the military and the government are against it. [Words indistinct] constitutional President Jean-Bertrand Aristide, is to try to block the election of candidate Victor Benoit to the prime minister post.

Economic Relations With Spain in 1991 Reviewed

PA2812012391 Havana Radio Havana Cuba in Spanish 0000 GMT 27 Dec 91

[Report by Ignacio Canel]

[Text] Although relations between Havana and Madrid have not overcome the obstacle of diplomatic formality, 1991 was a year of multiple exchanges, emphasizing the economic sector.

During the past 11 months, Spanish businessmen were established in the leading position of the island's tourist sector by furnishing capital, experience, and political courage in response to the changes in the national economy.

The Sol-Melia Group, a pioneer in the field of mixed enterprises with Cuba, was followed by Basque capital used for the creation of a similar group in a little known area of the Cuban archipelago.

It is expected that the capital invested in the tourist sector will be recovered in five years. This expectation is encouraging Spanish businessmen, who are coming to the country by the hundreds.

At the beginning of 1991, Madrid government sectors gave the impression that they favored the isolation campaign that Washington is promoting everywhere against Cuba.

On 3 May, a reporter of the Madrid daily EL INDEPENDIENTE wrote: Tough luck for Cuba; had it been colonized by France instead of by Spain, our friend and ally on the other side of the Pyrenees would never have permitted the blockade that has existed for the past 32 years.

During the first Iberian-American summit meeting in Guadalajara in July, the talks between Fidel Castro and King Juan Carlos and Prime Minister Felipe Gonzalez, created hopes.

A commitment that had been expected by many was sealed in Guadalajara: Fidel Castro will travel to the land of his ancestors in 1992 to participate in the second Iberian-American summit to show the respect the Cuban people feel for those who respect the Cubans.

Since July, the doors have been opened for unique exchanges with the autonomous regions of Spain. Everything indicates that these exchanges will continue in the future.

The main representative of the Spanish right, who is president of the Galician Government, Manuel Fraga, was the first official to arrive in Havana at the head of a large delegation. The members of tis delegation affirmed here and in Spain that there is no justification for the U.S. blockade and that Spain must not ignore the changes that the Cubans are implementing in the country.

The emotional encounter between Galicians and the Cubans, at the highest level, was the natural basis for economic understanding in the framework of political sovereignty.

Juan Luis Rodriguez, president of the Asturias region, also came to Havana. He came accompanied by politicians, businessmen, and journalists. This took place almost at the same time that a young Cuban leader, Roberto Robaina, 35, was touring Spain. He expressed feelings of solidarity and told friends, foes, and the skeptical that socialism is far from being a finished or stagnant project in Cuba. He said: We are searching for our own economic model under very adverse conditions. We are doing it without shunning socialist experiences, which we view as valid, or ideas of the market economy society that we believe deserve to be analyzed.

In addition to the talks with the leaders of Asturias and Galicia, and while Roberto Robaina was visiting various Spanish regions, a scientific, technologic, economic, and cultural cooperation agreement was reached in Cuba. The agreement was signed in November. On 12 December, a delegation from the Canary and the Balearic Islands headed by Gabriel Escarrel, president of the Sol Group; Gerardo Garcia, delegate of the central government of the Balearic Islands; and Andres Calvo Gonzalez, adviser for industry and commerce of the Canary Islands, was received in Havana.

During this year of investments, agreements, projects, talks, and opinions, the solidarity of the common Spanish people was made evident. This is the environment that made possible the lengthy and relaxed meeting between Fidel Castro and approximately 100 professors and students from Madrid's Complutence University and the sponsoring, by prominent Spaniards and Spanish institutions, of Roberto Robaina's tour.

Therefore, 1991 has been a year of varied and intense exchanges between Cuba and Spain, a fact that will have, logically, an effect on the formal official ties between Madrid and Havana.

Castro Sends Greetings to Greek Communist Party

NC2912200291 Athens KIRIAKATIKOS RIZOSPASTIS in Greek 29 Dec 91 p 3

[Interview with Fidel Castro, first secretary of the Communist Party of Cuba, by special correspondent Spiros Markandonis—place, date not given]

[Text] [Markandonis] Before the attack against the Moncada military barracks on 16 July 1953 you told your comrades: "In a few hours we will win or we will be defeated, but in any case, listen good comrades, this movement will triumph. If we win today, we will realize Marti's dream early; if not, this action will be used as an example for the Cuban people to raise the banner and go forward."

You won and other people won, but today the others are retreating. What will Cuba do now that the former European socialist countries and the USSR have changed their foreign and economic policies toward Cuba?

[Castro] I can tell you that throughout the history of the revolution we have passed through very hard times, some of them even harder than now, and we intend to stand firm and resist. We will not surrender before the obstacles and difficulties created by the retreat of the other European socialist countries or the vanishing of the USSR. We have enough courage to go forward and we will continue to defend our cause because we believe it is the most right and we are convinced that, as in the past, we will emerge victorious. Please convey to the KKE [Greek Communist Party] comrades our gratitude, brotherly greetings, and my wishes that they will not be discouraged by the difficult times. When times are hard revolutionaries must augment their courage and activity. My regards to all.

Commentary on Mexican Workers in United States

PA2912011991 Havana Radio Havana Cuba in Spanish 0118 GMT 28 Dec 91

[Manolo Ortega commentary: "Our America"]

[Text] If there is a delicate aspect in Mexican-U.S. relations, it is the thousands of Mexicans who work on the other side of the border. Their rights are constantly being violated. The two countries are about to sign the Free Trade Agreement; therefore, many people believe, not without reason, that it should be mandatory for the authorities of the two nations to look into these violations. If the northern country—wealthy and full of opportunities for everyone, as its presidents never tire of saying—is to be blamed for something, it is the fact that it has created a mirage for those who live on the opposite bak of the Rio Grande. Propaganda does its work, and there go the emigrants, most of the time illegally, looking for something they will perhaps never obtain.

In the past 10 years, successive U.S. administrations have tried—using all available means—to impede the flow of immigrants through the common border because the number has grown. In other words, an attempt is now being made to stop what was encouraged in the past when cheap and easily exploitable labor was required. Anyway, the reality cannot be concealed. For this reason, Mexican unions a few days ago reported the systematic violation of human and labor rights of more than five million workers living in the United States. According to the latest reports, the Labor Congress—a Mexican organization with close to six million members—pointed out that in the United States the immigrants are excluded from basic labor rights, such as union membership, collective contracts, and the right to strike. Mexico—it would be dishonest to conceal this—has also been subject to the fluctuations of an unstable economy and other problems shared by other countries in the region. If the effect of U.S. propaganda is added to this fact, an explanation for the problem of the emigrants can be readily found.

In recent years, the United States has established restrictions to check the entry into its territory of workers who would have been received with open arms at other times. These restrictive measures, however, have not prevented the illegal departure of Mexicans, with all the problems stemming from such a movement. Hence, the emigrants, most of them under 30 years of age, who cross the border clandestinely, find that the violation of their human rights begins right there. If they are not killed by border patrols or racist groups, the workers fall into the hands of exploitative employers, who pay them salaries much lower than those established by U.S. law. The workers have their freedom restricted, are humiliated and discriminated against, and are physically abused. In addition to labor discrimination, harassment, and sexual violence that the women have to suffer, the living conditions of the Mexican emigrants in the United States are marked by crowding and discrimination, which gradually erode the family. Among other measures, the Labor Congress intends to present to the United Nations and the International Labor Office a proposal to defend the emigrants. The Labor Congress, however, has requested that U.S. and Mexican authorities introduce a clause to protect the workers once the Free Trade Agreement is signed.

More Reportage on ANPP's 10th Regular Session

Legal Expediency Discussed

FL2712150991 Havana Radio Rebelde Network in Spanish 0000 GMT 27 Dec 91

[Report by "Exclusivo" correspondent Manuel Perez Vega at the Palace of Conventions in Havana—live; passages within quotation marks are recorded]

[Text] [Perez] Many delegates have contributed their comments following the report on crime and counterrevolutionary behavior presented to the National Assembly of the People's Government [ANPP]. Some of the most relevant aspects discussed have been the lack of control of state's resources, the vigilance system, and the organization of resources to attain greater effectiveness in the fight against crime.

During the debates, Fidel added:

[Castro] "I believe that I should give my impression that this has been an honest, objective, self-critical report. I would even add that it was more self-critical than critical. What I am trying to say is that the report does not try to unload responsibility on someone else. The report presents information of great interest on the situation and the problems. I agree with you that we should not be surprised or alarmed. I believe that the report presents enough material for discussion here. It offers varied point of views and opinions, things that on the opinion of the comrades needed to be said, expressed here and

that may help us to make decisions, to take into consideration the recommendations made, the suggestions, and also to draft the policies we should follow regarding the problems presented in the report."

[Perez] Several deputies reported the crime situation in their municipalities and reiterated the need of increasing the intensity of the measures and establishing mechanisms to guarantee greater effectiveness in the fight against crime. On the opinion of Ernesto Bolufer, deputy for Santa Cruz del Norte, Fidel asked the president of the ANPP:

[Castro] "He has said two things, Ivan, [not further indentified] one of them very obvious, that in this fight everyone must participate. This is the fight of all the people, of all honest, hard working, and revolutionary people against the criminal individual. He has also presented this idea to give the courts the power to impose greater sanctions. Is this in conflict with anything? What element, laws, factors, or concepts clash with the idea that he proposes to allow the municipal courts to impose greater sanctions?"

[Perez] Amaro Salup, president of the Supreme People's Tribunal, spoke to clarify the doubts of the deputies.

[Amaro] "One of the fundamental problems that the courts have, and which was not included in this report, is procedures. That is the essence of this problem. These procedural mechanisms are what, to my understanding, constitute in the court process one of the [word indistinct] restrains. Just a few days ago we had a meeting with comrade Machado, where we made a proposal to modify the penal process for the municipalities and provinces so that it would be an operative and fast process; keeping in mind all guarantees so that no one can say that we violate human rights."

[Castro] "Yes, but the first one you need to guarantee is the interest of the people."

[Amaro] "Exactly."

[Castro] "They are constantly being hurt by all those bandits. [brief applause]"

[Amaro] "For example, the municipal process, except in Oriente, is the old correctional one from 1902 and the penal process of the province, in its essence, its base, is the trial process of the criminal code of 1889. We are in 1991, 100 years later, and we are still using almost the same mechanisms."

[Castro] "In what way could the process influence the expediency of these steps?"

[Amaro] "We propose to essentially substitute the oral trial with the mere appearance of the accused and the evidence attained in the investigative phase. That is the essence of the problem. Looking for a series of mechanisms, etc., etc., so that this may be solved and developed normally."

[Castro] "What would this represent?"

[Amaro] "This? The expediency of the process; not having all these millions of people appear at the municipal and provincial courts. This is the essence of the problem, but above all, something that is the most critical problem to us—and I say it is more critical for us to avoid saying it is critical to justice—is the lack of expediency between the criminal act and the legal consequence. As long as we are not capable of giving an immediate response to each criminal act that occurs, we are handicapped. I believe that the essence of this mechanism that we are now working on and for which we are establishing regulations is precisely that, to have justice; the justice that our people demand. That is all. If you see a crime committed today and if the response given to the crime is quick, you have not forgotten the crime."

[Perez] At the ANPP meeting, which will conclude tomorrow, it was explained that necessary steps have been taken to modify the penal process law and adapt it to the needs of the country.

Castro on People's Councils

FL2712154491 Havana Radio Rebelde Network in Spanish 0000 GMT 27 Dec 91

[Text] On the subject of the People's Councils, our Commander in Chief Fidel made several comments.

[Begin Castro recording] We decided to create 93 and implemented it as an experiment. From the beginning they were composed of local circumscription delegates, some had eight, others had 12, others had 11 members. We kept in mind the traditions, the regular services received in those areas, even the old neighborhoods with their historic traditions, services, a series of factors. These were kept in mind when the People's Councils were created.

Who had a right to belong to it? The circumscription delegates were elected directly by the people. They were to have a full-time president, because if the circumscription delegate was a worker that had to perform his job properly, he had no time to deal with many of these problems. We said, let us turn the position into a full-time job. I proposed this, although I have always opposed the increase of administrative staff, and the creation, in general, of administrative positions. Yet, I realized that the People's Council could not perform without a professional staff. [end recording]

The deputies of the National Assembly of the People's Government will listen to the progress reports of provincial presidents and the Pinar del Rio Province at the Palace of Conventions tomorrow.

Crime Discussed

FL2712155191 Havana Radio Rebelde Network in Spanish 1000 GMT 27 Dec 91

[Text] The Cuban parliament has spent more than four hours analyzing the topic of crime after the interior minister read a detailed report on the handling of criminal activities in the country.

Orlando Lugo Fonte, president of the National Association of Small Farmers, began the debate speaking about the creation of the peasants watch detachment [destacamento de vigilancia campesina], which caught the attention of our commander in chief. Listen to this brief exchange.

[Begin recording] [Lugo Fonte] It must be said that there is a very close coordination with the Interior Ministry in this regard. It is part of the Unified Vigilance System. Meaning it is not something separate but as (Ordan) said, it is part of the Unified Vigilance and Protection System, so the main thing is that the farmers now have security. They, themselves, are guarding their interests and the interests of the revolution. Because of this, it is very important to know that today we have approximately 120,000 cooperative farmers and peasants organized in this watch patrol.

[Castro] What would the total be if we used everyone?

[Lugo Fonte] Approximately 180,000. We already have 116,532. The livestock- agriculture cooperatives have almost everything organized already. We are working with the credit and services cooperatives. This is a little more complicated because there are many elderly farmers, but well, when the farmer cannot participate, his family, his children, can join the detachments.

[Castro] How do they cooperate, the agrarian worker camps, with the state enterprises? How many are there in Havana Province?

[Lugo Fonte] Commander, there are certain zones, where as part of the Unified Vigilance and Protection System, some of the farmers guard a part of the state zone, as well. There are state brigades that guard some farmer zones so they are integrated and they guard by zones. Part of the livestock-agrarian cooperatives guard a part of private farmers lands and the private farmers detachment patrols other state parcels.

[Castro] What can you tell us about the miscellaneous crop enterprises? How are they organized? Who can tell us about this? Is there someone here who can report on Havana, because in Havana there are many vehicles around that stop at any banana, or yucca field. I have spoken with some of the people in the camps regarding the way they have organized watch groups. Is there someone who can report on this?

[Unidentified speaker] Commander, we have in the agriculture sector 5,342 patrols with the participation of 38,000 agrarian workers. They have 5,000 weapons and they are organized as Lugo explained. There are zones where.... [rephrases] there are farming zones close by where a state patrol guards. There are times when they are organized in cooperation with the Ministry of the Interior and a patrol, a cooperative, could guard a state area. Here in Havana, they have organized 269 patrols and they are organized this way. We still have to continue to work, continue organizing more patrols.

[Castro] These are miscellaneous crop enterprises? Does this also include cattle enterprises?

[Unidentified speaker] It includes cattle enterprises, yes.

[Castro] Citrus?

[Unidentified speaker] Citrus, fruit, cattle enterprises, and miscellaneous crop cooperatives. [end recording]

Of course, during a different part of the analysis, comments were made on the positive results which have been achieved throughout the whole country, including Havana City, with an emphasis on Las Tunas, where the United Vigilance System has only been implemented for a month.

Further on Crime

FL2712225191 Havana Radio Rebelde Network in Spanish 0000 GMT 27 Dec 91

[Report by "Exclusivo"" correspondent Josefa Bussi at the Palace of Conventions—live; passages within quotation marks recorded]

[Text] [Bussi] Greetings and good evening. Abelardo Colome Ibarra, Army Corps general and minister of the interior, opened the evening session of the first day of work of the National Assembly of the People's Government [ANPP] by introducing the issue of crime and counterrevolutionary behavior. The minister of the interior said that the debates on crime at the Fourth Communist Party of Cuba Congress created the most positive atmosphere over the past few years for launching a decisive fight against crime and reducing it to its lowest levels. After acknowledging the good work being done in several provinces, he added:

[Colome] "We do not have a shadow of a doubt that the natural tendency of our society is to prevent crime. The work of the revolution itself, over the last three decades, has constituted a permanent struggle to eliminate the conditions that promote crime. Only in this manner can it be understood that in the last few years, while in the rest of the world the crime rate has multiplied several times over, and many countries, including the most highly developed, have recognized their impotence to halt the wave of violence that overwhelms them, in Cuba, although the trend has also been increased crime, the rates are incomparably lower.

"The rate of crime in European countries surpasses 4,000 crimes per every 100,000 inhabitants. In many

Latin American countries, despite the well known relativity of the data, crime statistics reflect not only a noticeable increase in the number of crimes, but also an alarming increase in violence."

[Bussi] Later on, the minister of the interior explained that this does not imply a lack of concern for the levels of some crimes, or to incremental increases in anti-social behavior in the country. To this effect, he added.

[Colome] "We completely agree that for us these rates are unacceptable, and that it is absolutely impossible to delay the implementation of revolutionary measures to halt this trend. In these times, when our working people multiply their efforts and intelligence with firm commitment to overcome the most adverse conditions ever faced, there should not be a place for those who, without even trying, serve the interests of our enemies, damaging our economy, promoting speculation, and inciting restlessness and hostility among our people."

[Bussi] Colome Ibarra also mentioned the current U.S. policy which exploits the present shortages to strangle our economy, and to politically isolate the country. He said.

[Colome] "Within this context, our enemies concentrate on creating counterrevolutionary opposition, a topic that we will also discuss here today. They constantly seek information on our domestic situation to promote, through their powerful propaganda apparatus, pessimism and dissidence. They magnify every event or figure to present to the world the image that the fall of the former socialist East European countries has begun to affect Cuba. I can let you in on the fact that despite the efforts of the enemy and the resources it aims against our little island, they have found a sounding board in barely a dozen individuals, mainly well known counterrevolutionaries who, inspired by the anti-communist euphoria which the collapse of the European socialist bloc has aroused among the worms [Cuban exiles] abroad, have rushed to be included among the servants of the Yankees. We believe that the inclusion of these issues on the agenda of our National Assembly is appropriate because in these times, when the people are closing ranks around the party to save the nation, the revolution, and socialism, under the leadership of our Commander in Chief Fidel Castro, we cannot leave a single crack open, no matter how small, which might nourish any action opposed to our goals."

[Bussi] Later on, Colonel Jose Perez Fernandez, chief of the directorate of the National Revolutionary Police [PNR], read an hour-long report on crime and counterrevolutionary behavior. The report gives a detailed analysis of the problem of crime and its tendency to grow as a result of the current situation in the country. The report also includes crime rates in Cuba from 1959 on, but concentrates on the last two years' statistics, particularly on internal order. The document points out that modifications to the legal code, and changes introduced in the legal and penitentiary systems have not alone been able to reverse the crime growth rate. The process of depenalization has also failed to provide the results expected. The report also points out deficiencies in the system of contravention, the implementation of conventional work sanctions with jail time, and the inappropriate penalization of some crimes as misdemeanors. Of the current crime trend, the PNR chief said.

[Perez] "From 1989 on, the crime rate experienced a considerable increase, basically crimes against social and private property, which represent almost 70 percent of the total crimes known. We have to keep in mind that improvements in the police system, essentially this year, and the measures adopted to fight fraud have made it possible to attain more objective data on crime and the measures to counter it. Violent acts carry an insignificant weight in the crime situation in general and are in no way comparable with the rates of other countries."

[Bussi] As you have seen, this report included an update on every type of crime, ranging from simple social misconduct to crimes affecting social property and the national economy.

Aldana Claims CIA Link

FL2712205091 Havana Tele Rebelde Network in Spanish 1800 GMT 27 Dec 91

[Text] This morning, deputies to the National Assembly of the People's Government [ANPP] continued the debate on crime, specifically covering counterrevolutionary attitudes.

Politburo member Carlos Aldana outlined the traits of counterrevolutionaries who began to operate right from the start of our revolution and how the enemy was defeated after a period of fighting and heroism by the people; a fight which reflects glorious chapters of the revolution. He explained how, in the eighties there was a resurgence of counterrevolutionary groups allied with U.S. policies toward our country.

[Begin Aldana recording] Beginning when, historically speaking, the processes of restoring capitalism in East Europe began to unfold, that is, when the signs began to be noticed—what Fidel calls the weakening of ideology—when this crisis became evident, all these counterrevolutionary groups, small cliques, in our country began to receive, understandably, encouragement and it began to produce in them a simple change.

They have always received guidance from outside the country. They have always maintained certain ties, in some cases fairly well developed relationships, with counterrevolutionary groups abroad. They have always received, in one way or another, instructions on how to act from abroad. But at this level, when these processes began to take place, this kind of activity also began to develop in our country. It attained its most complete structure precisely during this year. This is not surprising because it reflects the problems the revolutionary movement has suffered as a consequence of this historic

setback in East Europe, and the chaos and the defeat which the ideology and the socialist-communist awareness in the Soviet Union has suffered. [end recording]

Later in his speech, Politburo member Carlos Aldana read to the deputies a report on the provocations that these groups, seeking recognition and respect from the imperialists, have effected in our country, estranged by the illusion that the days of revolution are numbered. He explained that they have ties with certain diplomatic personnel accredited in Cuba and that they receive political guidance and consultations, material resources, and their leaders have even received food, and they respond to a program orchestrated by the CIA.

He continued to say that our authorities will not hesitate to move against those responsible for these activities and warned that this is not the only counterrevolutionary method. The enemy also focuses on the weak parts of society trying to seed skepticism or encouraging damage to public property and acts of economic sabotage with the objective of opening a breach among us.

He urged the cells, members, and revolutionaries bodies in general, to maintain an attitude of exemplary austerity in their personal, family, and work lives and to confront without hesitation any action which goes contrary to our revolutionary process in these difficult times in which we are living.

Castro on Counterrevolution

FL2812030491 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 28 Dec 91

[Remarks by President Fidel Castro at the 27 December session of the National Assembly of the People's Government, ANPP, at the Havana Palace of Conventions—recorded]

[Text] I was going to say, [ANPP President Juan] Escalona, that [Cuban Workers Federation Secretary General Pedro] Ross has brought up an important point. This concerns the Rapid Response Detachments. I say this is important because this frightens the enemy, really. As soon as the workers began to talk about Rapid Response Detachments and the Committees for the Defense of the Revolution began to talk about People's Detachments, there was a campaign against that because they are really afraid of it. The Rapid Response Detachments are nothing more than the people being organized, the masses organized, to confront any attempt at counterrevolution, to confront any counterrevolutionary disturbance.

We have to support the workers in this initiative, and we have to support the Cuban Workers Federation in this initiative of organizing the people. The people have to be organized day and night, Saturdays and Sundays. When they are at their work places, they have to be organized at the work places. When they are at the schools, they have to be organized at the schools. When they are in the community, they have to be organized in the community, simply to defend the revolution.

Because there was a time when a soft policy was adopted about this, the people wanted to mobilize, but they were stopped. They were stopped, when the people reacted spontaneously. This is what the enemy fears the most, because they know that our police are not repressive. They know that our police are careful, restrained, and very respectful. But they are more afraid of the masses, because the masses do not stand on ceremony or anything, and if there has to be a clash, they will have a clash.

So of course this idea immediately caused reactions and campaigns, but we should not offer any opportunity for doubt to be introduced into these things. Because I think, in my opinion, that this is an absolutely revolutionary concept, and this is how we should defend ourselves from the enemy's actions in any field.

Castro Closes ANPP Session

FL2812022091 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 28 Dec 91

[Text] The National Assembly of the People's Government [ANPP] has agreed that Granma Province should present a report to the ANPP during its next regular session, that a report should be presented on the development of water resource management, and that next year should be called the 34th year of the revolution. We will now offer you an excerpt of the commander in chief's words at the closing session of this 10th Regular Session of the ANPP.

[Begin Castro recording] I would say that we have had some sessions of intense, serious work and in-depth analysis. In general, I think that all the comrades have gotten a very good impression from all these days of work and from the many speeches that have been made. We have the feeling that this work has been productive. We have analyzed important problems, all of them, all interrelated. We have reached agreements. We have adopted measures urgently, quickly, in accordance with current circumstances. We are not living in times in which we can leave solutions for later. We have received a lot of information of various types.

During the discussion of the People's Government bodies, the idea was mentioned three or four times, very spontaneously, by different deputies, that our country's democracy is the greatest in the world, that there is no country that is more democratic than ours, that there is no system that is more democratic than ours. I was very pleased to hear that. I have that very personal conviction, and I have discussed this with some visitors. When one talks about democracy, our political system has no reason at all to be envious of any country in the world.

I think that there is a lot of merit in this democracy, when it exists here 90 miles from the United States, and under a sword of Damocles that has been hanging over our heads for so long. So, who nominates? The people nominate. Who elects? The people elect. That is why we

are ahead of other countries, because in other countries the parties nominate, the party or the parties, as a rule.

There is another personal conviction I have about our countries, or our country, especially. This personal conviction is about the very great appropriateness of the single-party system. This has been a personal conviction, and during my life as a revolutionary I have often thought about all these problems. Because the multiparty system is imperialism's great instrument for keeping societies fragmented and divided into 1,000 pieces. It turns societies into societies that are powerless to solve their problems. A country that is fragmented into 10 pieces is a perfect country to dominate, to conquer. [end recording]

More on Castro's Closing Speech

FL2812204691 Havana Tele Rebelde Network in Spanish 1800 GMT 28 Dec 91

[Text] Last night, Commander in Chief Fidel Castro, president of the Councils of State and Ministers, closed the 10th Regular Session of the Third Legislature of the National Assembly of the People's Government [ANPP].

[Begin Castro recording] I urge each and everyone of you to think about this fact first of all. I hope that to each one of you, this is a great honor, not a catastrophe nor a tragedy. I hope that none of you feel burdened by life or by history for giving you this responsibility, on the contrary, I think that each one of you should thank life and history for having given you this responsibility which we have to carry out.

The most difficult year, [stutters] I would dare say the only one, the most difficult year of the special period is the one that begins now in 1992. We cannot call it the special period year because the special period is going to last more than one year. The special period developed progressively. Its most difficult phase should take place in 1992. And since it cannot get any worse than at its most critical point then the special period has to begin to subside little by little.

I always tell the comrades: Let us prepare for the worst circumstances. Let us consider the worst circumstances. If 6 and a half or 7 million tons of fuel are needed, I say, let us plan on four, [repeats] let us plan on four. Let us consider the worst possible circumstances. I always tell the comrades: What could happen which might hurt us any deeper than all the damage done so far? In 1991 alone, we received $2,100 million less than what we should have received. The situation with fuel shipments was already critical in December. Therefore, it might get a little worse but it is impossible for it to get much worse.

Now, it is our time, since we are not like those common roosters that turn around and fly away, speaking in a country style, such as in Pepe's times, we are fighting cocks and fighting cocks do not jump the fence. They do not flee a fight. They fight until the end. We are not of a lineage that surrenders, we are another type of people. You, who lead the people, who lead the leaders, who lead the mass organizations, have to have them ready for all these events and especially for the most critical ones that are still to come.

I was saying, how many things could we have accomplished if this catastrophe had not taken place? But someday, we will talk differently. We will say: How many things we have accomplished thanks to this catastrophe. Someday these words will be turned around. And besides the satisfaction of overcoming the challenge, we will be able to list all our accomplishments. Many of these things that today astonish many comrades have emerged from the special period. No one will have any reason to pity us. Nor will anyone have any reason to be ashamed of us, or will anyone have reasons to say that we became discouraged, that we became demoralized, that we surrendered, that we abandoned our principles, abandoned our flag. No one will ever have any reason to say any of these.

The Cuban revolutionaries.... [changes thought] No one will have to endure the disdain of others. Traitors are disdained. Those who have pride, who know how to defend their principles to the end are saluted with admiration, with hats off. That is why I express here my conviction that this generation of Cubans, and those to come afterwards, and those before us, will be respected and admired. They will always have to recognize that we were able to fight under the most incredibly difficult circumstances, that we were willing to give it our all for the defense of everything that we believe sacred. That we were capable of committing everything toward victory because if we act as we should act, if we behave as we should behave, and as I am sure that we will behave, victory is the only possible end result. [applause]

Let it never be said that any of those present here today, of those who compose this National Assembly, even of our guests, let it never be said that a single one of us wavered. Let it never be said that a single one became demoralized. Let it never be said that a single one sold out. Let it never be said of any of us who are witnesses to this historic moment, let it never be said that anyone of us was not willing to fight, that he was not willing to die for the nation, for the revolution, and for socialism. [applause]

Socialism or death. Fatherland or death. We will win. [applause] I wish you an heroic, glorious, and successful 1992. [applause] [end recording]

Commentator Supports ANPP Anticrime Measures

FL2712150191 Havana Radio Rebelde Network in Spanish 1255 GMT 27 Dec 91

[Orlando Contreras commentary: "Our Opinion"]

[Text] The 10th Session of the National Assembly of the People's Government [ANPP] concludes today. There are various matters of national interest that could be touched upon, however, I would like to mention one

which is not at all pleasant, but for which society and its institutions must take the appropriate measures as quickly as possible. It is the problem of crime.

Right now, the vast majority of the people are making an extraordinary effort to confront the economic crisis that we are experiencing for reasons that are well known. The causes and effects of the fall in supplies, in industrial materials as well as in foodstuffs, are also well known. Under these circumstances, if someone takes advantage of the collective effort, or acts against the security of private individuals, or wants to use force to deprive someone of their personal property, it is absolutely unacceptable.

Fidel was totally clear and explicit yesterday in one of his remarks at the ANPP when he said that the measures that must be adopted against crime cannot be delayed, whether they are institutional, or legal, or judicial.

Periods of crisis are breeding grounds for crime in every society. We, in our society, do not appear to be an exception. Before this erosive action, which borders on counterrevolution, we can only act decisively and rapidly within the framework that the law allows. And if the legal mechanisms are not sufficient it will be necessary to make them so, always within the framework of law and in light of the real situation.

Society has to defend itself against the antisocial conduct of those who intend to live off their nefarious work and against those who believe that crime pays and that it is possible to act outside the law with impunity.

Civilians Reportedly Armed To Combat Crime

PA2912151991 Paris AFP in Spanish 2005 GMT 28 Dec 91

[Text] Havana, Dec 28 (AFP)—The GRANMA newspaper reported on 28 December that there are 2,116 armed peasant detachments and 5,342 armed agriculture worker patrols being used to repress crimes in agriculture areas, firms, and storage areas.

The official Communist Party organ was citing the figures given at the National Assembly of the People's Government, which held its last ordinary meeting on 27 December.

Deputy Orlando Lugo Fonte, president of the National Association of Small Farmers, reported that the armed peasant detachments are being organized in coordination with the Interior Ministry.

There are 116,532 armed peasants in the 2,116 detachments; 28,097 of these are police collaborators, Lugo Fonte added.

According to Cuban Agriculture Minister Carlos Perez, there are also 5,342 patrols composed of approximately 100,000 armed agriculture workers.

GRANMA states that these patrols guard the state-owned farms for cattle, citrus, and other goods.

'Harmony Movement' Members Arrested 26 Dec

PA2812000791 Madrid EFE in Spanish 1902 GMT 27 Dec 91

[Text] Havana, 27 Dec (EFE)—Opposition sources have reported that three members of the Cuban dissident organization Harmony Movement [Movimiento Armonia], an illegal group of Social Democratic orientation, were arrested on 26 December.

The individuals who were arrested are Jorge Egana, Berenice Morales, and Iraida Montalvo. They were taken to Villa Marista, the general headquarters of State Security in Havana. They have not been formally charged, according to a note signed by dissident Elizardo Sanchez Santa Cruz.

Sanchez also said that another opponent to the communist regime of President Fidel Castro, Harmony Movement leader Yndamiro Restano, followed the same fate on 20 December.

Reportage on Saving Measures Adopted in Country

Electric Power Measures

FL2712131591 Havana Tele Rebelde Network in Spanish 1200 GMT 27 Dec 91

[Text] Havana Province has adopted measures to reduce current electrical consumption from 3,116 megawatts to 2,344 on work days in 1992. The Havana Electric Union also proposes to work toward compliance of assigned consumption figures in order to avoid power outages and inactivity at work places.

Also, with regard to consumption of families, the emphasis is on maintaining the 10 percent conservation level which allows 71 percent of the country's consumers a consumption level of 150 kilowatts monthly, enough to guarantee the rational use of basic electric home appliances.

More on Electric Power Measures

FL2812132791 Havana Tele Rebelde Network in Spanish 1200 GMT 28 Dec 91

[Text] There are 671,900 residential customers throughout the country surpassing their monthly quota of 150 kilowatt-hours [kwh]. These homes will have to reduce their consumption in accordance with a new plan that will be printed on February's electric bills. To calculate how much a customer can consume from now on, add to 150 kwh, 50 percent of the difference between the current average kwh consumption and 150 kwh. For example, if currently a home consumes 200 kwh, the new rate will be 175 kwh every month. This measure will also be applied to other customers with higher consumption rates with a ceiling of up to 300 kwh a month.

Newsprint Shortages

FL2712160191 Havana Tele Rebelde Network in Spanish 1320 GMT 27 Dec 91

[Text] Shortages of printing materials and energy limitations, which affect the entire country, have now been added to the difficulties in contracting with Soviet firms for newsprint for the press, which we have already reported. Shipments of paper and other imports received this year have been minimal and it has not been possible to contract shipments for 1992. This forces a new adjustment in the press schedule, effective 1 January.

GRANMA will come out with six pages twice a week and with four pages three times weekly. JUVENTUD REBELDE and TRABAJADORES will continue to be printed on Sunday and Monday, respectively, each with 12 tabloid-style pages.

The provincial newspapers will become weeklies and the respective provinces will advise when circulation days will be.

Meanwhile, the size of BOHEMIA magazine will be reduced one inch in height and width.

According to availability for the upcoming year, these reductions may be extended because some of the measures adopted by the transportation sector to limit departures delay deliveries to certain parts of the country.

Panel Discusses Special Period in Havana

FL2812142291

[Editorial Report] Havana Cuba Vision Network in Spanish at 0230 GMT on 25 December carries live its "Open Agenda" program on the situation in Havana City during the special period. Guest panelists are Pedro Chavez, the president of the Havana City Provincial Assembly of the People's Government; Mirta Cardona, the secretary of the Havana City Provincial Assembly of the People's Government; and Pedro Lugo, a member of the Executive Bureau of the Havana City Provincial Committee of the Communist Party of Cuba, PCC.

Program host Antonio Resillez begins by asking Chavez to give some statistical information about Havana. Chavez replies that the city has 2,136,000 inhabitants, 920,000 of whom are workers, 620,000 are students, and 213,000 are retired people. He cites figures for the number of government offices, social and fraternal associations, hospital, institutes, schools, teachers, and doctors. He states that Havana has the highest population density in the country, along with the highest concentration of government officials and foreigners.

Resillez then asks about the results of the basic measures that have been taken so far to deal with the expected 25-percent reduction in available electricity in 1992. Chavez answers: "I should really say that in 1991, the year that is about to end, the city has really made a great effort in this respect. We have even heard this in the speech Comrade Fidel made, which we have just seen. He pointed out how the city has fulfilled 85 percent of the goals set for 1991 with only 35 percent of the resources." Chavez notes that this effort included building the Pan-American Games facilities, the creation of municipal committees to promote cooperation between enterprises, and the production of consumer items by local industries.

Resillez then asks about possible power blackouts. Chavez answers that a reduction of street lighting is one of the measures under consideration. He adds: "If residents comply with the plan that has been issued, the comrades of the Electric Union can reduce electricity consumption, they can ensure electricity consumption, they can fulfill their plan, and above all there may be blackouts, but shorter blackouts." Alfredo Lopez, director of the Electricity Transmission and Distribution Enterprise in Havana, speaks from the audience, saying that the public will be informed about planned power outages and adds that outages would not affect basic services. Lopez also states that electricity consumption in Havana has dropped 5 percent, instead of increasing the expected 6 percent, since the conservation measures were issued. This is equivalent to about 30 hours of power outages per week.

Lugo then gives figures on fuel consumption in Havana, saying that in August 1990, "the capital consumed 1,200 tons of diesel per day. Currently, this year, 570 tons have been consumed. For gasoline, 404 tons of regular gasoline were consumed; currently, 155 tons have been consumed. For special gasoline, 257 tons were consumed; currently, 141 tons have been consumed." He adds that basic services in the capital have continued to function normally.

Chavez then discusses ongoing consideration of relocating people in jobs in agriculture and the vigilance and protection system, the effort to distribute bicycles in the capital, and possible changes in bus routes. Cardona speaks about measures being taken to fight crime, saying: "We are working in the capital to confront crime and criminal activities by implementing the unified vigilance and protection system. What does this consist of? This is a set of political, governmental, and organizational measures aimed at organizing and guiding all activities that have to do with controlling crime. The Interior Ministry, the Office of the Public Prosecutor, the courts, the mass organizations, the social organizations all participate in this." She adds that: "The fundamental strength of this system lies in the fact that all the revolutionary forces in the capital, all our people, are actively participating, as they have always done, in the vigilance and protection of all property, both state and personal. We know that this will bring results, because we have very revolutionary masses in our capital."

Chavez then praises the participation by Havana residents in mobilizations for the food program. He gives a brief overview of the complexities of the food distribution system in Havana, with products coming from

various places to 2,000 distribution centers. Resillez asks about the new year's celebrations, and Chavez describes the recreational activities planned throughout the city for the last week in December.

The 48-minute program ends with a recording of a speech by Havana City PCC Secretary Jorge Lezcano at a meeting of the Havana City Provincial Assembly of the People's Government, in which he says: "We have more than enough reason to toast the future. It does not matter if 1992 is the most difficult year of the revolution. We know this. We have enough spirit to confront it, enough courage, determination, awareness, and resources. It does not matter. We can give a toast because in spite of the fact that 1992 will be the most difficult of the revolution, we will also win in that difficult year of the revolution."

Haiti

Government Writes to OAS Protesting Embargo

FL2712220291 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 27 Dec 91

[Text] In a letter sent to OAS Secretary General Joao Clemente Baena Soares on Christmas Eve, the Haitian Government protested the embargo that the OAS has imposed against Haiti. The provisional government expressed the sadness of the Haitian people in view of the embargo. The Ministry of Foreign Affairs, writing this letter on the government's behalf, said the Haitian people are aware that the harshest economic sanctions, sanctions that have never been imposed on a member country of the organization a time of peace, have been applied against their country for a problem that concerns Haiti and the Haitian people alone.

Chamber President Brutus on Aristide's Return

FL2712214991 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 27 Dec 91

[Report on interview with Chamber of Deputies President Duly Brutus by unidentified reporter; place and date not given—recorded]

[Excerpts] [passage omitted] [begin recording] [Reporter] According to Chamber of Deputies President Duly Brutus, no official document has been signed between Augusto Ramirez Ocampo, head of the OAS mission; and Senator Dejean Belizaire, president of the National Assembly, on the choice of Rene Theodore as prime minister. Deputy Brutus said in an interview with us that it was Mr. Ramirez Ocampo who told the Haitian parliamentary committee that ousted President Jean-Bertrand Aristide would like the parliamentarians to come to a decision about the choice of National Reconstruction Movement leader Rene Theodore as new Haitian prime minister. According to the deputy, only after all problems have been solved will the Chamber of Deputies discuss this choice. The Chamber of Deputies president expressed the possibility of Parliament meeting on 7 January to make proposals to the nation. He said that all measures must be taken jointly with the provisional government. [passage omitted]

Deputy Brutus, who explained that he is opposed to any kind of coup d'etat, nevertheless stated that Father Aristide's return cannot occur immediately. A schedule must be established and guarantees must be made to all sectors of national life before this return can actually take place.

[Brutus] One of the points we have stressed in negotiating Aristide's return is that it cannot occur immediately. A schedule must be set. It can take up to six months—even more, if necessary—because a certain degree of security must be guaranteed before Father Aristide can enter the country. [passage omitted]

[Reporter] Concerning the manner by which Aristide's return will be made possible—whether there will be foreign military with him, Chamber of Deputies President Duly Brutus stated: In the Parliament there is no doubt about that—the Constitution of the country does not allow UN or OAS military to operate in Haiti; it is the country's own military that must ensure the security of the president.

[Brutus] [passage omitted] The most important thing will be to create conditions within the Haitian Army conducive to making the return possible—with the presence of Haitian military, not foreign military, which is forbidden by the Haitian Constitution.

[Reporter] During the same interview, Deputy Brutus said that if the OAS formula is adopted for a solution to the crisis, an accord must be reached among politicians and among all other sectors of the country to demand compensation from the OAS for damages to the country's economy from the embargo. He added that the politicians must exercise humility in reaching an agreement on how the international community should make up for the damages caused to the country's economy by the embargo. Deputy Brutus announced that an OAS economic and social mission will soon be sent to Haiti to help the country cope with a number of its economic problems and to assist in boosting the Haitian economy. [passage omitted]

Deputy Brutus, I would like more concrete information. Has the OAS made such a commitment or not?

[Brutus] A commitment has been made, and an OAS mission will soon come to Haiti. This is what I have always called a sort of Marshall Plan for Haiti. This is something definite. For the time being, they have been mentioning an Ambassador (Carrington) who will be responsible for this mission in Haiti.

[Reporter] What kind of a mission will it be?

[Brutus] It will be a mission to examine economic and social problems, as well as providing assistance to the Haitian administration, technical help if necessary. It is

up to the government to say whether it needs this help or not. Generally speaking, the role of this mission is to help Haiti cope with a number of economic problems and, especially, to assist in boosting the Haitian economy.

[Reporter] The Chamber of Deputies president added that the Haitian parliamentarians have no guarantee that the OAS will ease the embargo, but he hopes that Parliament President Dejean Belizaire, and he himself as president of the Chamber of Deputies, might visit the OAS office in Washington to try to convince the leaders of this organization to ease the embargo.

When we asked him how long a prime minister, who is the product of negotiations, could stay in power, Deputy Brutus stated that this does not depend on him and that it is the Parliament's responsibility because it is only parliamentarians who can fire a prime minister. [passage omitted] Deputy Brutus, who has advocated unity and the reconstruction of the country, refused to make comments on the future of the provisional government. He said only that on 7 October the legislative branch made a decision by establishing a provisional government. Another decision must acknowledge a vacuum before it can be able to fill it. [end recording]

Senator Parent Proposes Coalition Government

FL2812130191 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 27 Dec 91

[Excerpts] Senator Clark Parent has proposed the creation of a coalition government. He thinks this is the only solution that can really put an end to the crisis and guarantee everyone's security. Let us listen to more details.

[Begin recording] [Unidentified correspondent] The names of Louis Louis Dejoie II; Marc Bazin; General Herard Abraham, retired; and Rene Theodore appear on a list that Senator Clark Parent has proposed as members of the national coalition government. Meanwhile, Rene Theodore and Victor Benoit are apparently in competition before the legislative chamber which will choose a prime minister. The National Front for Change and Democracy senator thinks the chamber will vote for Rene Theodore or Victor Benoit as the country's new prime minister. He recalls Father Aristide's statements in which he said that he had chosen Professor Victor Benoit as prime minister and that the choice of Rene Theodore should be considered if Benoit is not approved by the Parliament.

[Parent] [Passage omitted] These are only proposals. I think in this way all sectors can feel that they really participated in the formation of the government. There are other names that I have not even cited here, such as progressives, experts who could come to participate in.... [changes thought] to form a coalition cabinet in which everyone can feel they are represented. [passage omitted] [Unidentified correspondent] Senator Clark Parent says he, together with several other parliamentarians, stayed away from the political scene for awhile after the coup because there was no possibility for talks. He believes it is now necessary for him to be there because everyone sees the need of getting the country out of this deadlock. According to Senator Clark Parent, it is impossible for the current provisional government to hold elections even though it claims it will hold elections. [passage omitted]

Senator Parent urges political officials to work for a quick solution to the political crisis so the embargo can be lifted. Haiti is a country full of cliques. It is only through the formation of a ministerial cabinet that a national solution can be found. [end recording]

Trinidad and Tobago

New Prime Minister Manning Meets With Cabinet

FL2812025791 Bridgetown CANA in English 2039 GMT 27 Dec 91

[By Linda Hutchinson]

[Text] Port-of-Spain, Trinidad, Dec 27, CANA—New Trinidad and Tobago Prime Minister Patrick Manning presided over his first Cabinet meeting on Friday as ministers spent their first full day on the job. Manning told reporters the government was declaring Sunday a day of prayer in line with a decision taken at the two-hour meeting, which also discussed appointments to the posts of speaker of the House of Representatives and president of the Senate. No decisions were taken. The new Parliament will open January 13.

Manning's People's National Movement (PNM), in opposition for the past five years, was swept to power in December 16 general elections, which produced defeat for the administration of former Prime Minister A.N.R. Robinson.

"Members of the Cabinet recognise that we are operating in difficult economic circumstances, but...there was a clear will, a clear determination this morning to provide Trinidad and Tobago with the best government of which we are capable," Manning told reporters. "I am very pleased with the outcome of our first Cabinet meeting (and) I'm very confident indeed that my administration would do quite well. (I'm) optimistic about that."

Manning said he was freeing himself of ministerial responsibility so that "...I will make myself as available as possible to manage the government as the country's chief executive officer." Manning has put together a 19-member Cabinet, including three women. Manning promised an "open government," emphasizing the need to be realistic with the population.

"....Don't expect milk and honey on the streets tomorrow morning...You're going to get government, that's what we are committed to...," he said.

Manning said he was seeking an early meeting with the World Bank to discuss postponing implementation of a plan for trade liberalisation due at the beginning of next month. Manning said trade liberalisation, a conditionality attached to a structural adjustment loan, was not in the best interest of the country at the present time.

"We would have to make contact with the World Bank to see whether it is possible to have the time schedule adjusted somewhat to take the legitimate concerns of the domestic industrial sector into account...." Manning said anti-dumping and related legislation needed to be put in place before trade liberalization occurs.

El Salvador

FMLN Communique Criticizes UN Observers

PA2712222491 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 27 Dec 91

[Communique issued by the Farabundo Marti National Liberation Front, FMLN; date and place not given]

[Text] Regarding the identification of the Honduran soldiers killed when the helicopter in which they were traveling was downed in Salvadoran territory, we report the following:

1. On 20 December, three UN helicopters conducted an operation to evacuate the Honduran soldiers who died in Salvadoran territory.

2. As agreed between our front and the Salvadoran Government through the UN Observers for El Salvador [ONUSAL], a forensic team provided by a third party—the Archbishopric's Legal Assistance Office—accompanied ONUSAL and the UN Observer Group in Central America [ONUCA] personnel, Salvadoran judicial and forensic authorities, and Honduran Government representatives.

3. Our organization requested the presence of a forensic technical team from the Legal Assistance Office in order to prevent the manipulation of the forensic report by any of the sides.

4. The members of the commission went to the site where the helicopter crashed. Despite the insistence of our military commanders and the local judge, who demanded that the bodies be identified at the site as called for by legal procedures, ONUCA representatives removed the bodies and placed them in bags without proper legal identification.

5. Later, when the Legal Assistance Office and ONUSAL representatives arrived at the site with Honduran and Salvadoran judicial authorities, they agreed to transfer the bodies to San Miguel in order to proceed with the identification and autopsies in the presence of the three parties.

6. The helicopter in which the bodies were transported and in which Lieutenant Colonel Borge and Colonel Balbin of ONUSAL were also traveling as well as the helicopters transporting the members of the commission did not land at San Miguel as agreed. The bodies were diverted to Honduras, while the members of the commission and the Legal Assistance team were taken to Comalapa Airport.

The decision to not perform the autopsy in San Miguel was made in flagrant violation of the agreement that was reached at the site with the teams from the Legal Assistance Office and in the presence of the Farabundo Marti National Liberation Front [FMLN]. Therefore, the bodies of the Honduran soldiers left the national territory without any legal forensic identification, openly ignoring Salvadoran laws and violating the agreements reached by the parties.

7. We are concerned by the fact that ONUCA and ONUSAL military and civilian personnel were involved and that they permitted illegal, irresponsible, and suspicious procedures to be used. Such procedures lead us to believe that the Salvadoran Government wants to manipulate the incident and to prevent an investigation to determine why the Honduran helicopter was overflying Salvadoran territory.

ONUSAL and ONUCA representatives did nothing to prevent the situation, as they did not demand that the Legal Assistance Office participate in the procedures and autopsies as had been agreed.

8. In face of all those irregularities and manipulations, we hereby declare that we will reject any report or version published after the incidents we have described. At the same time, we demand an explanation from ONUSAL and ONUCA as to why they adopted such an attitude in regard to this serious situation.

[Signed] FMLN

Reportage on Government, Guerrilla Negotiations

FMLN's Handal on Progress

PA2912171591 San Salvador Radio Cadena YSU in Spanish 1230 GMT 28 Dec 91

[Report by Ricardo Gomez, Salpress, from New York on 27 December]

[Text] The meeting between the Farabundo Marti National Liberation Front [FMLN] and UN Secretary General Javier Perez de Cuellar ended a few minutes ago, at exactly 2112. When Jorge Shafik Handal came out of the meeting, he stated the following:

[Begin recording] [Handal] The process has truly been invigorated; we believe that we are reaching common ground. One cannot say that everything has been resolved, but progress has certainly been made. We have hopes that Cristiani will finally come to New York, as it is he who must make the decisions that are still on the table. We truly believe that he should come; we hope that he will come. This is all I can say for now.

[Gomez] You said a few days ago that the criteria and goals had to be clearly established if the negotiations were to continue. Has this been obtained now?

[Handal] I do not know what you mean.

[Gomez] You had said that before going back to the negotiating table you had to reach common ground on the more serious goals...

[Handal, interrupting] You mean stopping the armed conflict? When I said there had been progress, I was

referring to that area. Some concepts have been identified—only some—but we are not through with this yet.

[Gomez] What about the national police and socioeconomic issues?

[Handal] We have not yet started negotiating the socioeconomic issues; however, this could be taken up in the next two days. With regard to the national police, we have made a great deal of progress on this issue, as you already know. Nevertheless, it appears that Cristiani will have to make the decisions on the unresolved matters on behalf of the government. This is because there has been an attempt to renege on some points of the New York Agreements regarding the national police—in some cases by including special conditions, while in other cases by denying there are special conditions. This had been agreed on in the New York Agreements—that is, special conditions would be allowed for former FMLN members and for former FMLN fighters. Nevertheless, we believe this is a negotiation strategy that eventually will have to be overcome. [end recording]

Immediately after Handal's statements, Alvado De Soto, mediator of the negotiations and the UN secretary general's representative, said that progress had been made on the issues of the national police and the cease-fire. He also said that the dynamics at the table and the procedures used, such as everyone meeting together and the back-and-forth meetings between the groups, have yielded good results and have invigorated the negotiating process.

This is all for now. I do not think that there will be any further statements at the United Nations tonight. The meetings on the issues of the cease-fire and the national police will continue on 28 December. It is possible that over the 28 December weekend everything will be set up for the final decisions that ultimately have to be resolved by President Cristiani, as some of the negotiators have stated.

More Handal Comments

PA2912210491 (Clandestine) Radio Farabundo Marti to El Salvador in Spanish 0000 GMT 28 Dec 91

[Text] The most important news in the past few hours regarding the peace process has undoubtedly been the invitation made by Javier Perez de Cuellar for President Cristiani to appear personally at the negotiating table in New York. The UN secretary general issued the invitation during a 26 December telephone conversation with Cristiani. According to Perez de Cuellar, the Salvadoran president's presence could solve a number of key issues still on the table. The Farabundo Marti National Liberation Front [FMLN] had earlier asked the secretary general to summon Cristiani, in light of the lack of decision by the current government delegation.

Commander Jorge Shafik Handal says one of the main problems facing the negotiations is the inability of the regime's delegation to make decisions on certain vital problems. Nevertheless, and despite Perez de Cuellar's persistence, a presidential spokesman in San Salvador reported that Cristiani will not travel to New York until the FMLN makes a firm commitment to disarm and demobilize.

We talked on 27 December with Commander German Serrano, chief of the National Army for Democracy [END] on the northern front in Chalatenango. He explained the FMLN position, in light of Cristiani's refusal to join the negotiating table. According to Commander Serrano, the END's unilateral cease-fire is not under discussion. What is being discussed is the formation of a new national civilian police in which FMLN members would participate. The reduction of the Armed Forces is also being discussed, as are other points that remain unresolved. For Serrano, Cristiani's position is probably in response to pressures and threats made against him by extreme right-wing forces who oppose the negotiations. We are exclusive statements Commander Serrano made to this station on 27 December.

[Begin Serrano recording] At this stage of the game, it seems to me that Cristiani's position is definitely not in line with the current level of the negotiating process. Indeed, the negotiating process on both sides has progressed to a point where serious decisions must be made. We [words indistinct] to end the war. The end of the war is essential for Salvadoran society, but this requires [words indistinct] by the government to sit down at the table with that decision in mind to [words indistinct] currently under discussion are important issues such as the reduction of the Armed Forces. Decisions must be made on the national civilian police, its creation [words indistinct] and its concept, as well as on the socioeconomic issues [words indistinct] that Cristiani is not going to New York until there is a firm commitment on the part of the FMLN to disarm and demobilize [passage indistinct] impossible on his part, because we are not negotiating as if one side had won the war and the other had lost it.

We are willing to make political decisions. [passage indistinct] the war that has been waged here for 11 years. It is certain that neither the government nor the high command will hear about demobilization from the FMLN; that is not what is being negotiated. What is on the negotiating table is the participation of the FMLN in the national civilian police. We are talking about guarantees for the FMLN to be able to mobilize freely throughout the national territory as a political force. We are also talking about the ultimate size of the Armed Forces, which will have a change of doctrine in agreement with what was agreed on [words indistinct] as an educating force, defending the national sovereignty, and not as a repressive arm or the force that oppresses the Salvadoran community.

Cristiani's position of not traveling to New York is probably not his decision, but the result of pressures and threats by the extreme right [passage indistinct] as part of the Armed Forces. It is now truly necessary for society,

the social forces and the political forces to pressure the negotiating forces and to make those who are against peace agree to end the war. We are willing, as FMLN and as END, to give the Salvadoran people peace. The government and the Armed Forces have an obligation to respond to the Salvadoran people's hopes, particularly now, when we are so close from obtaining the ultimate result at the negotiating table. [end recording]

Continuing this report on the peace process, on 26 December the direct meetings between both delegations in New York resulted in positive results and, according to diplomatic sources, the process received a new thrust. In particular, there is talk about great progress being made on the national civilian police issue, which had bogged down the talks until now. For UN mediator Alvaro de Soto the wide array of problems that had to be resolved has been reduced. De Soto added that if there is willingness and authority to make decisions, it is still possible to reach an agreement soon. According to diplomatic sources quoted in the press, what is pending, at least for now, is to solve the whole political agenda; that is, the national civilian police, reduction of the Armed Forces, and the FMLN's participation in political activities. The other issues will be decided in January.

On 27 December both delegations met directly with UN Under Secretary General Marrack Goulding to discuss the cease-fire issue, the military forces' reduction, and its monitoring and time frame. It was also reported that Goulding presented to both parties a new document containing cease-fire proposals. A new meeting was slated for 27 December with Perez de Cuellar himself to take up the new national civilian police issue. In statements to the press this morning, Perez de Cuellar said they are pushing very hard to reach a final agreement. The UN chief said Alfredo Cristiani's presence is awaited at UN headquarters any time now. These are the last reports on the negotiating process. It is at a crucial point as it is still possible to reach a final agreement before the end of the year, despite the antagonistic actions being carried out by the extreme right forces in our nation.

Commander Carmelo Interviewed

PA2912024291 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 28 dec 91

[Interview with Commander Eleno Castro, member of the Joint Staff of the 6th Military Region of the National Army for Democracy, by unidentified reporter; place and date not given—live or recorded]

[Text] [Reporter] Commander Carmelo [Eleno Castro], over the last few hours, Mr. Alfredo Cristiani and his officials have conditioned his trip to the United Nations on the disarmament and demobilization of the Farabundo Marti National Liberation Front [FMLN]. What is your opinion regarding this position of the ARENA [Nationalist Republican Alliance] government?

[Castro] In the first place, the problem is not the weapons of the FMLN. The problem to be solved here, and this has been discussed at the negotiating table, is the problem of solving the issues that sparked the conflict. This includes correcting social inequalities and establishing a real democracy. One of the most important mechanisms to ensure that this will be accomplished is the institution to enforce public security: the Civilian National Police. The various sectors should participate in this body. As one of the sectors that are making possible the changes in our society—the change to a more democratic and civilized life—the FMLN should participate directly in the new security force. This is essential for democracy to work.

On another point, social inequality has been more evident in the case of land ownership. This is another problem we must solve at this stage. These are basic problems that must be solved in order to attain the country's pacification. If these points are not solved, it is useless to talk about peace because they are like the guarantees of a real democracy and of a change toward lessening the existing social inequalities. These are [words indistinct] factors which sparked the conflict.

For the time being, we can make an hypothesis. The FMLN could turn in its weapons, but if these problems are not solved, there will be others persons—other social sectors—who will take up arms, and we will not have solved the problem. The problem here is not the weapons of the FMLN; the problem is how to solve those problems which I already mentioned. If they are solved, we will indeed be setting the bases for a democracy and a firm and lasting peace. If not, peace will be just a mirage.

The president made a proposal about his going to New York only if the FMLN's disarmament is guaranteed. His proposal is illogical. If the president expects to have us turn in our weapons just so he will go to New York, he is misguided. The problems will not be solved just because the president goes to New York. He can go as many times as he wants and the problems will not be solved. The problem is not whether he goes or not, but whether the bases for a firm and lasting peace will be established.

[Reporter] Thank you, Commander Carmelo.

Cristiani on Upcoming Talks

PA2912040991 San Salvador Radio Cadena YSKL in Spanish 0020 GMT 29 Dec 91

[News Conference by President Alfredo Cristiani with unidentified reporters at the Ilopango Military Airport in San Salvador on 28 December—recorded]

[Text] [Cristiani] Before I begin answering questions, I would like to briefly explain the reason for our visit to New York.

As you know, since 16 December, the negotiating commissions have been at the UN offices in New York trying

to reach a final agreement in this last stage of UN Secretary General Perez de Cuellar's term. In that sense, there have been meetings to try to reach a global agreement, that is to say, an agreement that encompasses all the issues that were pending from the talks in New York in September.

We have been observing developments at the ongoing meetings in New York and have been trying to find a way for the government to help these agreements bring about definitive peace in our country by way of a cease-fire to be verified by the United Nations.

Two days ago, I received an invitation from UN Secretary General Javier Perez de Cuellar to come to New York to try to give the negotiations that last push which he believes could bring about the global agreement that is expected from this meeting. We explained the situation [break in reception] that in order to go, we needed to have some conditions fulfilled, meaning that we should be able to see, in some way, that there was a possibility of reaching these final or global agreements.

On 27 December I received a call from the UN secretary general. He told me that he had gotten the FMLN [Farabundo Marti National Liberation Front] to make some promises that we believe will enable us to make one last effort—as he calls it—to give that last push to this meeting and to see whether it is possible to reach a cease-fire at the same time the current UN secretary general leaves office.

Our delegation, through Mr. Santamaria, explained some conditions under which the president of El Salvador would go to New York. Some of them, as well as some of the assurances made to me by the secretary general regarding the guarantees he was giving us, are still confidential. I ask that they are not discussed, and I will not answer any question in that respect, except on those topics on which I can be open. In the first place, the purpose of our visit is to meet exclusively with the UN secretary general. Meetings with the Salvadoran Government will be only through the government's talks commission. That is to say, we have agreed to help the UN secretary general reach this final agreement, not to attend direct meetings.

In the second place, the pending topics are right now being analyzed so the dynamics of the process could allow the last days of the current UN secretary general's to [words indistinct] so there is a possibility of reaching this global agreement we all expect.

The situation is not easy; there are still some complicated issues. However, there have been advances on several issues. This may enable us to assist the secretary general in his efforts to end the negotiations before his term is over and leave the process on the way to its end through fulfillment of the agreements.

However, we do not want to create false expectations because the situation is still very difficult. We want to attend because of the conditions the secretary general has accepted from us. We want to attend and do everything possible to find peace so that the Salvadoran people may enjoy it as of next year. We have also spoken to the representatives of the four friendly governments, to whom we have also stated the existing possibilities and the need for them to help in this great effort to try to reach the final agreements before 31 December.

Defense Minister General Ponce and ARENA [Nationalist Republican Alliance] President Calderon Sol are accompanying me on this trip because the two institutions—the political institution as well as the armed institution—are willing to accompany me to try to help reach this agreement that could allow us to definitively end the armed conflict.

I would like to add that the government has done everything possible to help while the talks commission has been in New York. We believe that the FMLN should do the same if it wants to show the Salvadoran people that it really wants peace once and for all. We believe that it has made no such effort. There are still situations that the Salvadoran Government cannot accept because we have a clear mandate. We respect the Constitution and the promotion and consolidation of democracy, and we will never accept anything that goes outside that framework. We have the will to establish peace, but—as we have said many times—we do not want peace at any price. Peace should bring benefits to the Salvadoran people in general and should not promote future situations that are worse than those we have experienced in the past.

On this regard, we have also been very clear. Our presence in New York will not allow for any pressure to force us to accept anything outside the framework of the Constitution and against the democratic principles for which we have all been fighting these last years. However, within this framework, we will do everything possible so that there may be success in these last three days. Our visit will include a working meeting with the secretary general starting tomorrow morning. We will be with him for 24 hours if necessary, and our visit to New York will end on 31 December.

[Reporter] [Words indistinct] to recent conflicts, such as the Nicaraguan conflict for instance, where the government also [words indistinct] with the contras. [Words indistinct]

[Cristiani] We believe in talking directly with the other party because the government's talks commission has all the authority to reach agreements. It has the direct representation of the government at the meetings. Our presence will not mean that we have anything up our sleeves, as some may think, that is different from the positions of our commission. We will do everything possible to find agreements within the framework that has already been stated by the government of the Republic through the commission. We will not try to take away authority from the talks commission because it fully represents the ideas of the government and we

believe that this representation will reach a happy ending. There have been many meetings—and all of them have been held through negotiating commissions—to discuss various issues and events. Perhaps in the end there will be an opportunity for direct meetings, but those will have to be under different circumstances than the current ones.

[Reporter] Mr. President, several days ago you said you would only go to the meetings to sign some agreement they might have reached. Then, on 26 December, you said you would only go if the FMLN demobilized. Now you are going to New York. Are you being pressured to go to the meetings in New York?

[Cristiani] We have been very clear. We are not being pressured and we will not accept any pressure while we are in New York. Therefore, we do not feel any pressure. The invitation was extended so that we could help the decisionmaking process arrive, in a relatively short time, at the conclusions we all want before 31 December. Being present in New York and in direct and personal communication with the secretary general open up more possibilities to the decisionmaking process.

On the other hand, we have indeed felt that the positions we have been stating [words indistinct]. We have said from the start that for us to go to New York, some previous conditions must be established.

The secretary general has said himself that he has certain commitments he cannot disclose at present because they are confidential. There are certain indications, however, that there are certain favorable conditions for completing the process. What we want to say is that there are possibilities of reaching an agreement. We do not want to encourage (?contention) and disorder because there are still difficulties. We believe that, with the presence and full participation of the secretary general in the past few days, this is the effort that is necessary to reach a final agreement.

[Reporter] Is there any possibility of reaching an agreement?

[Cristiani] We have talked at length today with General Ponce and Dr. Calderon Sol. Both their institutions, one political and the other military, have been seeking peace in support of what the government has been doing. If there is a possibility of reaching final agreements, these two institutions are willing to cooperate. These two delegates are present because we can work better and faster if there is a possibility of reaching an agreement.

[Reporter] I have a question. How about [words indistinct] that there are indeed conditions for the president of the Republic [words indistinct] can sit down at the negotiating table? I do not wish to break the confidentiality agreement. Nevertheless, you said there are conditions and that many of the subjects are virtually exhausted and that, consequently, very little remains to be debated and negotiated before a complete peace agreement is signed. Another aspect of the question is this. [Words indistinct]

[Cristiani] No. Generally speaking, I would like to say that we think it is possible to reach an agreement on those issues pending on the shortened agenda. This does not mean, however, that the issues have been discussed in depth. As I said, the secretary general has expressed certain points confidentially. In general, these aspects make it possible for us to anticipate this possibility. That is to say, if we act seriously, it is possible to reach an agreement in a few days. This should not, however, lead to excessive optimism, as I said at the beginning. The situation is complex. All we can do is try our best to reach this goal during the mandate of Secretary General Javier Perez de Cuellar. Nevertheless, and for our own peace of mind, the peace process will not end with Perez de Cuellar's mandate. He was invited as a UN official and is acting under the UN Security Council's mandate. The (?participation) of the secretary general would lend continuity to the process. It is logical to think, however, that the background of the current secretary general and his assistants would make it possible to work more rapidly than with the (?presence) of the UN observers, who have not been following the events in El Salvador as closely. It is also necessary to try to conclude the negotiations before 31 January.

But we are not talking about profuse optimism or about solving this whole mess here. The situation is complex [words indistinct] but we have talked with Dr. Calderon and Gen. Ponce and are willing to go there and work 24 hours a day if necessary to ensure that the efforts the Salvadoran people want us to make are made.

[Reporter] Mr. President, [words indistinct] overall and complete peace. Do you expect that [words indistinct] by 31 December?

[Cristiani] There is little more to be done. We have already said that the secretary general's invitation is a personal one. His time in office will end on 31 December; therefore, our visit to New York will conclude on 31 December. If an agreement is not reached, I imagine they will agree on follow-up meetings to be held somewhere and under other circumstances, but our visit ends on 31 December. We also believe that our three-day participation will be more than enough whether or not something is accomplished on this occasion.

[Reporter] Mr. President, you are accompanied by the defense minister and the Arena president. Will the government stand by its decision not to allow the FMLN to join the National Police?

[Cristiani] We have been very clear about this. The New York Agreement completely eliminates the idea of participation quotas of any group and this includes the FMLN. The New York Agreement mentions former fighters. Therefore, this must be a personal decision. This can only be implemented once this situation has ended because only then will they become former fighters. We must not go backwards and forget the progress made in New York. In New York, we set aside the idea of quotas in the Armed Forces, National Police,

and any other institutions. The agreement states that once the former fighters are free to use their citizens' rights, then—just like any other citizen—they will have the right to apply for admission. If they meet all the requirements to be a Public Security Academy candidate, they will be admitted. However, we do not believe that we should give the people a political police that will respond only to certain political groups. What we seek, and what we have tried to do, is have a public security force for the people. We need a professional police force, not a political police force. Political groups cannot have a participation in this.

[Reporter] Mr. President, [words indistinct] Public Security?

[Cristiani] We could be here for the next 20 hours talking about different matters. We must wait and see what happens in New York.

Cristiani Arrives for Peace Talks

PA2912045691 Mexico City NOTIMEX in Spanish 0439 GMT 29 Dec 91

[Text] New York, 28 Dec (NOTIMEX)—A spokesperson for Newark Airport has reported that Salvadoran President Alfredo Cristiani, who will be joining the Salvadoran peace talks in New York, arrived tonight at Newark Airport in New Jersey. The TP-06 aircraft provided by the Mexican Government landed at 2320 and the Salvadoran president was greeted by Salvadoran Ambassador to the UN Ricardo Castaneda and Presidency Minister Oscar Santamaria.

Cristiani arrived accompanied by Defense Minister Rene Emilio Ponce and Armando Calderon Sol, mayor of San Salvador and president of the ruling Nationalist Republican Alliance (ARENA). They immediately boarded their vehicle and drove into New York City where on 29 December President Cristiani will meet with UN Secretary General Javier Perez de Cuellar.

Cristiani's arrival has awakened hopes that after 13 days of negotiations in New York, his government and the Farabundo Marti National Liberation Front (FMLN) will make definitive progress and put an end to the almost 12 year old war.

Deputy Denies Plan To Turn FMLN Into Party

PA2712150991 San Salvador LA PRENSA GRAFICA in Spanish on 25 Dec 91 p 9

[Text] Ruben Zamora, Legislative Assembly vice president, has said that Copaz [National Commission for the Consolidation of Peace] is not turning the FMLN [Farabundo Marti National Liberation Front] into a political party by law. The Democratic Convergence deputy said there is some confusion about this. He explained that the discussion held during the last Copaz meeting in Mexico aimed to give legal status to the FMLN, because all the forces represented in the Commission have legal status except the insurgency.

Zamora said the political parties represented in Copaz, and the government, have legal status. The FMLN is the only one that does not have legal status.

Zamora said he believes that for the transitional peace process the FMLN could be granted legal status as a public law entity.

Zamora noted that if the FMLN truly wants to become a political party, it should proceed like any other group and fulfill the requirements without any privileges. Zamora believes the FMLN can gather the signatures of 3,000 constituents, as the legally registered parties have done.

The Legislative Assembly vice president said Copaz actually discussed how to grant the FMLN legal status and denied that it aims to turn the FMLN into a political party because that kind of "paternalism" is not politically healthy for the insurgency.

Zamora said that political parties must first consult the FMLN on whether it really wants to become a political party and what ideology it will follow.

He believes that the FMLN, the interested party, should decide its own fate, not the political parties.

This reporter told Zamora that the question is not whether the FMLN will become a political party, because this is the objective of the negotiations, but whether or not FMLN will be accepted as a political party when it has an armed force.

Zamora replied: "Those are the kinds of problems faced in turning it into a political party. This is why I argue that the issue is not to turn it into a political party but to give it legal status, which is different. Turning the FMLN into a political party via decree would cause many other problems and would involve a lengthy discussion."

National Solidarity Movement Meets Requirements

PA2712172591 San Salvador DIARIO LATINO in Spanish 24 Dec 91 p 3

[Quotation marks as published]

[Text] Central Electoral Council [CCE] spokesmen have announced that the National Solidarity Movement [MSN], a party in the formation process, met the requirement of registering 3,000 members.

In a press communique, the MSN "recognized" the government's opening and the CCE's excellent work in supporting the creation of new political organizations."

"We are the first party created in such 'record' time, said MSN Secretary General Manuel Edgardo Rodriguez, who described his fellow party members as "Salvadorans committed with solidarity."

Rodriguez said that, more than political revolutions, what man needs is a spiritual revolution. He stressed that his party will promote moral values and ethical principles."

He said that the credibility of the political system has been lost, adding that it is necessary to "encourage the peace process by all means."

He noted that structural adjustment programs cause more poverty and said he favors a free enterprise with "more social responsibility," and the creation of social compensations to counter economic measures.

The party's next step will be to present its statutes and action plans to the CCE. According to the MSN, they have complied with 75 percent of the requirements since July, when they began the process to legalize the party.

Guatemala

Defense Minister on Communist Failure, Guerrillas

PA2812003291 Mexico City NOTIMEX in Spanish 0205 GMT 27 Dec 91

[Text] Guatemala City, 26 Dec (NOTIMEX)—National Defense Minister General Jose Domingo Garcia Samayoa said on 26 December that the Marxist-Leninist doctrine of the Guatemalan guerrillas has lost support now that the Soviet bloc has collapsed and Mikhail Gorbachev has resigned the Presidency of the USSR.

With the failure of communism, the rebels must now think about adopting a civilized attitude and joining the political life of the country "after having been on the wrong path for 30 years," the official added.

In statements to NOTIMEX, the defense minister said he trusts the changes in Eastern Europe will have repercussions in the attitude of the armed groups, as their theory is now obsolete.

The military chief said that the Guatemalan National Revolutionary Unity [URNG] tried to impose its economic, political, and social concepts based on communism. That group wanted to seize power through the use of weapons, he noted.

The minister regretted that the transshipment of weapons to Guatemala continues. Evidence of this is the fact that weapons made in the United States, China, and Germany—and supplied by clandestine international organizations—have been seized from the guerrillas.

Garcia Samayoa said that the Guatemalan rebels have received military training in Cuba. There are documents with dates of operations and names of those who participated in training programs to prove this. Besides, he said, the rebels receive financing from abroad for purchasing weapons. He refused to give further details on this issue. As a result of this training, he said, the rebels use sophisticated techniques to stage ambushes on the Army. They use explosives not available in Guatemala, and they know how to place explosives like true "professionals of terror."

Gen. Garcia pointed out "we are going to made strong charges so the international community will know who is right and who is financing the destabilizing movement."

In another part of the interview, the minister admitted that the National Reconciliation Commission is doing an excellent job in bringing together the parties for a new round of negotiations. A feasible mechanism is being sought that will expedite the dialogue and the signing of a peace agreement so the 30-year-old conflict will not be extended, he pointed out.

Garcia Samayoa insisted that "there are many contradictions in their stand," when they say they want to give the people a better standard of living, yet they attack the people's electricity and telephone services.

It is inconsistent to think that after these actions, the people will praise them and rally around their cause, the defense minister concluded.

* Government's Failure To Decentralize Hit

92CA0044B Guatemala City SIGLO VEINTIUNO in Spanish 15 Nov 91 p 9

[Text] Despite the fact that the republic's constitution requires the government to decentralize—that is, transfer power and authority to the local autonomous governments—the current authorities appear to have relegated this to the end of their list of priority actions.

This was the conclusion of Caroll de Rodriguez, director of the Local Power Association (Apolo), who added that this situation has resulted in municipal leaders holding meetings like the one of 8 November, where over 250 mayors from all over the country met in San Felipe, Retalhueleu.

At that meeting, she said, positions were strengthened that favor municipal autonomy against interference by the Executive branch, such as the manner in which the eight percent payraise corresponding to the last three quarters of 1990 was declared to be constitutional.

The university graduate said that there are three reasons why the Government has not fulfilled the constitutional mandate to decentralize: some officials to not believe in the benefits of a decentralized system; the various opinions on what is decentralization and how it should be implemented inhibit actually carrying it out; and fear of the political costs of putting it into effect, which imply structural changes in the State apparatus.

She criticized the current centralized system, and argued that because of it financial resources pass through many hands, public works are planned, executed and evaluated by various entities in an interminable morass of steps, and in most cases they do not adequately resolve the problems of the different communities.

That is precisely because the public authorities in charge of the programs do not know the community in which

they will work, and this same structure invites corruption and inefficiency, she added.

The Apolo director continued by saying that centralization in Guatemala City has generated significant investment of government resources in the capital, resulting in better roads, services, education and health. The 1992 general budget shows that the central government plans to spend upwards of 50 percent of the total budget in the capital, despite the fact that only 21 percent of the total population lives there.

In her view, this results in strong internal migration of Guatemalans who leave their places of origin in search of higher incomes and more favorable living conditions. And nevertheless, for many this dream remains frustrated and they fall into crime or the black market, living in marginal neighborhoods in unhealthy conditions.

She recalled that despite the fact that many countries in Latin America, such as Mexico and Chile, have promoted decentralization in their governments with a great deal of success, some Guatemalan officials still do not believe in it.

She indicated that the most common objections these officials put forth are that the mayors are incapable of governing their communities, and that they are ignorant or lack political education, which is a lie.

In the view of the Apolo director, the current mayors are persons with common sense, desirous and capable of carrying out any responsibility. Besides, they know the specific needs of their communities better than any other official or academic from the capital.

Many private voluntary organizations, such as Fundazucar, INCAE, ICAITI, and FLACTO-PADAM [expansions unknown], among others, offer training courses to mayors of small communities in the interior, she pointed out.

Finally, she said that the voters will take greater interest in local elections when the municipal government is truly autonomous. Only in that way can the position of mayor be taken as a position of prestige within the community.

* Increase in Centralization Described

92CA0044C Guatemala City SIGLO VEINTIUNO in Spanish 15 Nov 91 pp 12-13

[Article by Ana Fresse]

[Excerpt] The state does not have the ability to satisfy the population's needs. The political-economic-social order concentrates resources in the capital and generates poverty in the rural areas.

This phenomenon is not new among Latin American countries. It is easily observed that services are concentrated in the capital, and that most decisions are dictated by the central government. This policy contributes to decreased participation on the part of citizens who, accustomed to fulfilling their needs according to central decisions, do little to contribute to the country's development.

The concentration of decision-making power has resulted in consequences to Guatemala that have repercussions on its integral development. Each period of government has been based on encouraging the growth of the urban sectors and neglecting the interior.

There are various theories as to how this concentration of power has been produced. The majority believe that it originated during the liberal period, encouraged by Justo Rufino Barrios.

During that time the State's current configuration and structure was created: a centralized government of functions and decisions that encourage presidentialism.

Things have changed somewhat. In Guatemala there are regional elections of mayors and congressional deputies, to mention some. Not, however, of departmental governors, who are still named by the president.

Continuing with the overview, it is noted that centralization affects the political-economic and social life of Guatemala, which causes people to emigrate to the capital. It is calculated that the annual growth of the urban habitat is 600,000.

The rural inhabitant comes to the city seeking a better standard of living. He knows that not only services, but also financial resources are concentrated in this region.

It is easy to say "the capital is not big enough to hold the emigrants from the interior. It would be better for them to stay there." But things are not as simple as that expression.

Life in the interior is harsh. The minimum salary in the field, 10 quetzals per day, is insuffici[illegible] needs. Besides, residents in the [illegible] lack basic services, such as education, health, and housing, causing them to live in subhuman conditions.

A study carried out by the Association for Social Research and Studies (ASIES) discloses that the average number of children attending primary school in the departments is 43 percent. In the capital the rate is 61.3 percent and in El Progreso 56.6 percent. By contrast, in Alta Verpaz only 20.7 percent attend, and in Quiche 24.1 percent.

In the area of secondary education, only 8.6 percent of school-age children are studying at that level. Guatemala City again has the highest concentration, with 27.1 percent. This is followed by Quetzaltenango with 14.8 percent. At the opposite extreme is Quiche with 2.5 percent and Totonicapan with 3 percent.

These figures relate to those who have been able to attend school. Those who have not make up the Guatemalan illiterate population (48 percent).

The highest concentrations of people who do not know how to read or write are in Izabal, Chiquimula, and Jutiapa, comprising 50 percent. In Totonicapan and San Marcos the figure is 54 percent. Among the departments with the fewest illiterates are Guatemala with 18 percent, Peten with 21 percent, and Sacatepequez with 28 percent.

The figures show that the capital has the highest educational participation. If the health sector is analyzed, the trends show a similar pattern.

In the same study, ASIES publishes that in the public health sector, the departmental average number of people per doctor is 10,655. At the highest end is Huehuetenango with 25,957 and San Marcos with 18,601. At the lowest is Guatemala City with 1,774 and Zacapa with 4,739.

This shows the concentration and centralization of services in the Guatemalan capital. The same trends are observed in financial resources, industry, and all activities. What has happened is that the central government has inherited decision-making power and the mandate, without thinking to delegate functions to the authorities.

The rural resident, on not finding optimal standards of living, decides to emigrate to the capital, which necessarily creates a greater demand for services and concentrates its supply, establishing a vicious circle that increases centralization.

Nor can services be denied the capital, if a high percentage of the population is concentrated there and is growing annually, and requires supplies. The migration results in shortages of transportation, electricity, potable water, housing and other things.

"The trend is to continue investing in the capital, to not neglect the population already there and at the same time, to increase services to the interior. The active participation of regional residents plays a preponderant role," says Mariano Rayo of ASIES.

Although services will be decentralized, individual sectors will not be neglected; resources will be placed where they are needed. Contradictory activities cannot continue, such as department residents having to travel to the capital to carry out bureaucratic tasks (passport or drivers license). The need to decentralize and deconcentrate the capital is well known.

The republic's political constitution, article 119, paragraph B, says: "It is the obligation of the state to systematically promote economic-administrative decentralization to achieve adequate regional development in the country."

Since its promulgation, lawmakers have envisioned the situation that would result in the capital. The centralization it inherited, as with other countries in Latin America, has impeded its development.

During these times there are shortages of everything. The Guatemalan Chamber of Construction estimates that to resolve the housing shortage it is necessary to build 14 houses per day. The Guatemala city council believes that to resolve the water problem it is necessary to carry out ambitious projects, such as the one to recover Amatitlan lake and convert it into a reservoir. At the same time, construction is moving along at a snail's pace, because the demand for transportation has increased.

The measures adopted by the different entities in the capital lead one to think, "the capital is collapsing."

People from the interior arrive in search of work, and industry no longer has any demand for it. The workers resign themselves to accepting work in exchange for lower pay.

"We need to explore options to permit the development of other areas around the country. That could be done by means of decision and will on the part of all Guatemalans," says economist and political analyst Mariano Rayo.

"One simple example is the case of the budget. The formulation and execution of the budget can be decentralized, permitting the regional municipalities to collect the taxes. They should no longer be dependent upon the central government carrying out the transfer," added Mariano Rayo.

Things will be difficult, since the greatest demand is in the capital, which is why its budgets are greater than those of the interior. In addition, the calculations are made by people who live in the urban area, who many times are not aware of the problems that occur in the departments.

As long as it is uncertain whether people are going to actively participate in taking decisions, things will not turn out as they hope. Who knows better than the local resident what the community's priorities are? Then why does the central government name teachers, doctors, and other public officials to serve in the interior? Or better, why not empower community offices?

One of the opportunities citizens have to express their opinions is during the elections every five years. The formulation of the nation's general budget is proof of the people's low rate of participation in the decision-making process. This despite the fact that the budget is approved by Congress, some of whom are regional representatives.

In any case, the understanding that the capital needs to be decentralized is common knowledge.

Honduras

Government Recognizes Russian Republic, Yeltsin

PA2712234391 Mexico City NOTIMEX in Spanish 1854 GMT 27 Dec 91

[Text] Tegucigalpa, 27 Dec (NOTIMEX)—Foreign Relations Minister Mario Carias Zapata announced that

Honduras plans to recognize the Russian Republic and Boris Yeltsin as its president.

The Honduran foreign minister described the dissolution of the Soviet Union and the resignation of Mikhail Gorbachev as the most important event of the current decade.

According to Carias Zapata: "This has been the most important event. This is a decisive end to the nuclear and conventional arms race that has been looming over Europe."

Minister Carias pointed out that on 27 December his office will send an acknowledgment of Boris Yeltsin as president of the Russian Republic to the Russian Embassy in Managua.

He also stated that the Honduran Government has not yet determined what type of relations it will have with the rest of the republics that separated from what was a short time ago the Soviet Union.

In addition, Minister Carias Zapata stated that the Honduran Government formally established relations with the Soviet Union last year. He also stated that Honduras was not planning to establish relations with Cuba.

* Callejas Reports on Economic Health of Nation

92CA0054A San Pedro Sula LA PRENSA in Spanish 1 Nov 91 p 5

[Text] Tegucigalpa—"In Honduras," President Callejas said yesterday in a speech at the closing session of the Parliament's second legislative term, "the specter of the tyrant, of the dictator, of the absolutist, must be made to disappear."

In his talk, the head of the government put particular emphasis on his economic program, which, he said, is already yielding the planned r

During the past year, the governm t has achieved some outstanding successes, indicating t the structural belt-tightening steps it has undertaken, with "courage and daring," are bearing their first positive fruits.

"The consumer prices index has shown a stabilizing trend since the beginning of 1991. In January, the monthly inflation index was 4.1 percent, in September it was 0.4 percent, and in October 1 percent," the president pointed out.

"The economy," he added, "is showing signs of recovery, after the drop in GDP [gross domestic product] experienced in 1990. It is expected to post an annual growth of 1.4 percent for 1991."

The availability of foreign exchange in the economy rose sharply during 1991, according to the president. In September, foreign exchange revenues from exports were 31 percent higher than for the same period in 1990.

"Likewise, foreign exchange deposits in the national banking system rose to $150 million as of September 1991, clearly evidencing an increase in public trust," he said.

The central government's finances have also improved substantially, according to Callejas.

Tax revenues for 1991 are 48 percent higher than for 1990, and government spending has remained within the limits set by the government as its 1991 goal.

The government, said Callejas, has not had to compete against the private sector for the economy's available credit.

Loans by the Central Bank to the public sector during 1991 totaled 46 percent less than the December 1990 level.

"Foreign disbursements are expected to total more than $100 million over the next 60 days, thus further strengthening our international reserves," the president said.

In conclusion, the president of the Republic termed it "the obligation of all Hondurans to create and strengthen the bases of the new course the country must follow."

* Human Rights: Mayor Accused of Murder

92CA0054B San Pedro Sula TIEMPO in Spanish 7 Nov 91 p 8

[Article by Marvin Morales]

[Text] Juticalpa—Yesterday, the sister of two of the persons who died Saturday in the so-called El Plomo murders accused both Juticalpa's mayor, Armando Montes Zapata, and a businessman, of having ordered her brothers killed.

Irma Rosa Paz Rivera, sister of Agapito and Gustavo Paz Rivera, also accused the military board of inquiry appointed by the Armed Forces High Command, supposedly to investigate the crime, of systematically harassing the victims' relatives.

"These people arrived asking for a case of ammunition that was allegedly the property of Agapito," the woman said, adding that from the moment they were appointed, the board members "have been visiting all the relatives frequently" to terrorize them.

Soldiers circulate day and night around the relatives' homes, said Irma Rosa Paz, who asserted that she can produce proof that those responsible for her brothers' deaths are the mayor, Armando Montes Zapata, and businessman Gumercindo Alonzo.

Moreover, she said that there are others whose names will be made known before long, who are involved in the massacre, in which Agapito's son Giovani Paz Dias, and Jose Hilario Galeas, also lost their lives. Their bodies

were found in El Plomo, a community 6 km from Tegucigalpa, on the road to Tegucigalpa.

In the interview she granted yesterday to the press, Mrs. Irma Rosa Paz maintained that those who captured the victims were "cobra" agents, not civilians dressed in Red Cross or Boy Scout uniforms, as the military want people to believe.

She demanded the appointment of an impartial board of inquiry, made up of organizations and persons independent of the armed forces, to investigate the crime, and said she was holding the military high command responsible for any attempt against her life or the life of her relatives.

She said that she finds it odd that the police have arrested a person, charging that person with the crime and saying that the arrest had taken place in Tegucigalpa, while the press reported it as having occurred in Juticalpa.

* Coffee Exports Earn $145.9 Million

92CA0054C San Pedro Sula TIEMPO in Spanish 8 Nov 91 p 2

[Text] Tegucigalpa—Honduras exported 1.8 million 46-kg bags of coffee during the 1990-1991 crop year just ended, earning a revenue of $145.9, according to the Ihcafe [Honduran Coffee Institute].

As detailed by an Ihcafe spokesperson, coffee exports totaled 1,861,301.97 46-kilogram bags and generated 775,318,087.50 lempiras, representing $145,904,602.60.

Of the total exported, 1,538,330.97 quintals of coffee were exported to countries that are not members of the International Coffee Organization, and 322,971 quintals to member countries of that organization.

Ihcafe had authorized the export of 2,045,052 million 46-kg bags, but that total was not attained during the coffee year, and if attained will be added to the new 1991-1992 crop year that began in October.

For the issuance of export permits, the government posted revenues totaling 67,859,309 million lempiras, according to figures provided by the Ihcafe spokesperson.

Coffee is the country's second major export commodity, exceeded only by bananas.

Nicaragua

Foreign Ministry Recognizes Russian Federation

PA2812014691 Managua Radio Catolica in Spanish 2300 GMT 27 Dec 91

["Press Release" issued by the Press and Information Directorate of the Foreign Ministry in Managua on 27 December]

[Text] The Nicaraguan Government, exercising its sovereign rights and in accordance with the principles of international law, has officially recognized the Russian Federation as a new member of the international society of independent states and as successor to the former Union of Soviet Socialist Republics in conducting its international relations.

This recognition places Nicaragua among the first countries to recognize the international subjectivity of the Russian Federation, thus marking the continuity of the diplomatic relations established with the old Soviet state.

Nicaragua, true to its foreign policy of strengthening its ties of friendship with all the countries of the world and contributing to international detente, will recognize the rest of the republics that form the new political community of sovereign states in due time.

[Issued] Managua, 27 December 1991. Press and Information Directorate of the Foreign Ministry.

Russian Ambassador Describes Nation's Status

PA2812014791 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 27 Dec 91

[Text] Russian Ambassador to Nicaragua Yevgeniy Mikhaylovich Astakhov reported that as of 27 December, the Russian Federation has become a member of the UN Security Council and all of the embassies are automatically placed under the umbreila of Russia. We have the ambassador's statement:

[Begin Astakhov recording] It is now Russia's right to occupy the seat the USSR previously occupied as a member of the UN Security Council, as well as in the United Nations and other international organizations and institutions. [end recording]

In addition, the ambassador explained that a formal recognition is not required, but underscored that Nicaragua was one of the first to recognize the Russian Federation.

[Begin Astakhov recording] It is pleasing for me to note the fact that Nicaragua was among the first nations to recognize Russia. On 27 December, it formally and official acknowledged Russia's status. [end recording]

The ambassador explained that all of the nuclear and strategic forces are in the hands of Boris Yeltsin's government, as was agreed upon through a document signed with the presidents of Ukraine, Belarus, and Kazakhstan. On 30 December, military commands will meet to discuss the organization of other structures.

Foreign Cooperation Minister on Debt To CIS

PA2812131691 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 27 Dec 91

[Text] Nicaragua's largest debt is owed to the Soviet Union, now called the Commonwealth of Independent

States [CIS]. Foreign Cooperation Minister Erwin Krugger reported that the debt is $3 billion.

The dissolution of the Soviet Union and the recent changes delayed the renegotiation of the Nicaraguan foreign debt with that country. This $3 billion debt is the largest debt Nicaragua has. The government is getting ready to request exceptional treatment from that country as soon as it reorganizes, said the foreign cooperation minister.

[Begin Krugger recording] In the case of the Soviet Union—where there was disintegration of the former Soviet Union and the birth of the new CIS—we will wait to see how they organize themselves. Our lawyers are analyzing the legal implications of these changes from our point of view. They have been working on it for several months, so we may continue with the negotiations that began over a year ago. [end recording]

Krugger said that this exceptional treatment has already been granted by other countries such as Mexico, Venezuela, Colombia, and the 26 countries that form the Paris Club, where the renegotiation of Nicaragua's debt broke all the provisions and terms. That renegotiation is now considered to be one of the main achievements of 1991.

[Begin Krugger recording] The fact that Nicaragua changed the terms of the Toronto Club [as heard] is an impressive success, because the terms of Toronto no longer exist. Now there are new terms, which are the ones that were given to Nicaragua. That is why we have called them the Nicaragua terms. Also, a number of conditions that the club had never changed were modified; for example: renegotiating all interest; reprogramming the commercial debt; and including the commercial debt, which had never been included in the Paris Club negotiations. These were included for the first time in the case of Nicaragua. [end recording]

Daniel Ortega Comments on Gorbachev, USSR

PA2712161791 Managua BARRICADA in Spanish 26 Dec 91 p 1,8

[Article by Marcio Vargas]

[Text] To the Nicaraguan Sandinist political party, the dissolution of the Soviet Union and the resignation of Mikhail Gorbachev "are sad and upsetting news" marking "a new stage in the history of mankind."

Daniel Ortega, general secretary of the Sandinist National Liberation Front, held several meetings with Gorbachev when they were both heads of state, made these statements on 25 December while the picture of the former head of the former USSR was being transmitted around the world.

According to Ortega, "it is all very sad, because it had a very unfortunate ending." He added that "this is not what Gorbachev was looking for when he took up the perestroyka banner."

Likewise, Ortega insisted that "this is also not the solution to the problems of the republics that were once part of the USSR. What is really going to take place is that the crisis is going to get worse. We must also realize that Gorbachev is leaving as the cannons are already blasting."

During an interview granted to BARRICADA, Daniel pointed out that perestroyka "arrived too late" in Moscow. The changes needed in the Soviet Union should have taken place "at Malta at the end of World War II."

To Daniel Ortega, however, the announcement of the official end of the socialist bloc is more than a "sad event." It represents "a new challenge" to the "Sandinists in particular, and to all revolutionaries in the southern part of the world in general."

He added that "this means we must continue struggling for justice and liberty under new conditions, where there is opportunity for the transition of humanity."

The Sandinist leader stated that the current political situation—for the so-called Third World—is "better" than in the fifties and sixties, "when colonialism reigned" and the USSR and Eastern Europe "were strong."

"In Latin America the domination was personified in military dictatorships, and in Nicaragua there was Somoza," Ortega said. Based on this argument, he concluded that "the struggle continues in the South. There is hope," even though socialism collapsed in Europe.

He clarified: "I am not saying that these developments are good; but this is reality, and we must accept it."

According to Ortega, the "new phase" that has opened up for humanity includes possible "changes" in the United States forced by a shift in the worldwide collation of forces, especially in the economic area.

He criticized Washington for what he described as a "double standard" with regard to the USSR. He recalled that when Gorbachev promoted perestroyka, the White House considered him to be a "hero;" but now it deems Gorbachev to be "useless," because the "great man for it is now Yeltsin."

Ortega added that "we have entered a new phase, and we must continue to struggle."

Government Authorizes New Political Party

PA2912162391 Managua Radio Sandino in Spanish 1200 GMT 28 Dec 91

[Text] The Council of Political Parties has authorized the formation of a new political party in Nicaragua. The

new party will be called Nicaraguan Democratic Party, Padenic [Partido Democratico Nicaraguense]. It will be headed by (Roberto Mayorga Kingland).

Hugo Mejia, president of the Council of Political Parties, said the members of the new political party are from the Atlantic coast. They have said they want to form a liberal political party.

Starting in January, the Nicaraguan Democratic Party will form party boards in the 144 municipalities of the country. The party must present them to the Council of Political Parties as a prerequisite for acceptance as a legal party. There will now be 21 legal parties in the country.

* Pastoral Letter Ignores Corruption

92CA0055A Managua EL NUEVO DIARIO in Spanish 28 Nov 91 p 4

[Commentary by Francisco Bravo Lacayo]

[Text] One of the phrases in the pastoral letter that has caused the most concern among citizens refers to the lack of an enforcement arm "that will support and defend government decisions."

Such an enforcement arm exists; it is none other than the EPS [Sandinist People's Army], without which President Violeta Barrios would have been ousted some time ago by the enforcement arm of her erstwhile political supporters, who are today the enemies of her reconciliation policy, enemies represented by "the Indomitable One."

The pastoral letter says: "This situation is all the more regrettable because an attempt is being made to conceal it under the pretext that such action is being taken in a desire for reconciliation and peace."

The thinly veiled thrust of this passage is to bolster the positions of those who are seeking to abolish existing laws so that "unjustly confiscated" properties can be returned to them, ignoring the spurious origin of such properties.

If we bear in mind that there has been a consensus between the government and the FSLN [Sandinist National Liberation Front] to review the injustices that may have been committed at the time of the confiscations, the bishops' complaint is untimely and out of place and can only lead to further destabilization in the country.

The extensive corruption that has developed during the short time that UNO [National Opposition Union] has been in office is a secret to no one. It was surely not unknown during the previous decade, but it is truly alarming how quickly more than a few officials went on a rampage as soon as they were sworn in, and the bishops should have at least noted as much.

Many of these officials joined Dona Violeta's election campaign not to hold a post honorably and aid democracy but rather to enrich themselves and make up for lost time while they were in Miami.

During the masses that Cardinal Obando has said in Las Sierritas we have seen many of these remorseful, contrite political bosses receiving the host from the prelate's hands, only to walk out later and shout for the head of any Sandinist that crossed their path.

This is no way to help maintain and strengthen the rule of law that we all need so badly to overcome the immense difficulties besetting us.

* Media Role in Polarization Discussed

92CA0055B Managua BARRICADA in Spanish 29 Nov 91 p 3

[Commentary by Erwin Izaba Gomez]

[Text] The critical situation that the country is in is still not understood by sectors that think they own Nicaragua and therefore continue to deepen the wounds from which our society in general is suffering. In all truth, very few people are benefiting from this welter of mutual accusations and recriminations (only those who are taking advantage of the State).

This situation has forced us to begin seeking a nationwide solution, a solution for all of the country's sectors. We alone have a responsibility to tackle the crisis, with all of our vices and virtues, our ideas and our resources.

The starting point must be an analysis of the country in an effort to ascertain the objective conditions in which we find ourselves. What this means is identifying the natural resources that we still possess, our human resources, our technological capacity (if any still exists), and the sources of financing that we now possess and the ones that can be generated through commercial and financial exchanges with other countries.

Seeing Things in Black and White

Against this backdrop the mass media must play a role that transcends the wrong-headed partisanship in which several of them are immersed even today, the rare exception being those that are starting to discharge their educational function.

The mass media (especially radio and the press) have served to satisfy personal desires; they are taking a very simplistic approach to the various events taking place in our country.

"Generalities" (not generalizations, which are scientific) to foment conflict between Sandinists and anti-Sandinists are being abused, as individual acts are constantly being described as the work of organizations. Thus, we read or hear that someone in UNO [National Opposition Union] wounded or killed a Sandinist, or vice versa, thus collectivizing an individual act in order

to intensify confrontation and divide the country into black and white, as each side portrays itself as perfect and spotless.

The media cannot continue this campaign. On the contrary, they have an obligation to play an educational role vis-a-vis the entire country. In spite of their different owners, they all have a social responsibility to seek objective information, to provide an analysis of the facts, and to offer conclusions that will prompt the population to think and reason rather than become emotional; while they should not deny the place that feelings of opposition and acceptance have in communication, they should not sharpen them either.

The professionalization of the media means more than obtaining a degree to vouch for one's knowledge in a given field. It means the ethical treatment of the news and the abandonment of generalities, which must be replaced by greater specialization in reporting and in economic, legal, scientific, environmental, literary, etc. analysis.

There Is Room for Everyone

Although we cannot ignore the economic sections of LA PRENSA and BARRICADA, as well as the environmental supplement of EL SEMANARIO (OIKOS) and the general supplement of BARRICADA (GENTE), we can say that the debate does not take place around such reporting but rather around issues so subjective that they lead to personal attacks that inflict wounds beyond the individuals involved.

At this stage of the game let us stop thinking about an outside solution, which is nowhere to be found. Let us reassess and reflect in depth to find our real common ground as Nicaraguans. I will therefore echo the proposal by the dean of the Communications Department to hold a national event with all of the country's media to ascertain the role that each ought to play.

The media cannot continue to believe either that confrontation is good advertising and that they must therefore seek financial "success" in spite of the country. It is so obvious that the situation affects us all that four major media got together during the most recent advertising promotion to raise funds. The desire to destroy another entails the risk of our own destruction and of harm to third parties. Let us stop saying "this place is not big enough for the two of us" and thus leave behind the vendettas that are typical of primitive minds.

Panama

Endara, Ford Comment on Gorbachev Resignation

PA2712163191 Panama City LA PRENSA in Spanish 27 Dec 91 p 1

[Report by Elkilia Santos and Manuel Alvarez C.]

[Excerpt] Panamanian President Guillermo Endara deplored the fact that Mikhail Gorbachev had to resign "for the sake of his country" and announced that Panama is interested in establishing diplomatic relations with the Commonwealth of Independent States, CIS.

On 25 December Mikhail Gorbachev resigned as USSR president "forced by the situation" resulting from the creation of the CIS, convinced of the "historical wisdom" of the reforms he introduced, but worried about the destiny of the Soviet people.

Endara said this is a good time to recognize Gorbachev's great merits, as he led the Soviet Union from a totalitarian, communist, and repressive state to a democratic commonwealth where liberties are recognized.

In the new CIS, the economy will not be tied to communism and will be more open.

Endara made the comments at his regular weekly news conference.

According to Endara, Gorbachev will be one of those men who will go down in history as one of the greatest revolutionaries.

He said that, obviously, Panama wants to establish relations with the new commonwealth that has joined the international community.

"We would like to establish diplomatic relations at the ambassadorial level" because there is currently an interesting and positive development in Eastern Europe, Endara stressed.

He said contacts have already been made with the former Soviet and now Russian officials, but that at the present time "the Russians are very busy taking care of matters that are far more important than their relations with Panama."

He added that Panama is willing to establish diplomatic relations with Russia as soon as that country expresses its desire to do so.

In a separate statement, Second Vice President Guillermo Ford said on 26 December that history and time will show that Gorbachev, the former president of the disjointed USSR, "had the courage to begin to destroy an oppressive system."

"History and time will show that Gorbachev had the courage to at least begin to destroy a system that was oppressive. Oppressive systems have no future, because mankind does not like oppression," Ford said in a statement to local and international reporters.

Ford stressed that the changes that have occurred will favor the opening of new markets in Latin America, which now will have the opportunity to increase trade with the new CIS. [passage omitted]

People's Party Communique on Former USSR

PA2912204691 Panama City EL PANAMA AMERICA in Spanish 28 Dec 91 p 2a

[Text] The political bureau of the People's Party issued a declaration expressing its opinion on the Commonwealth of Independent States [CIS], now that the Soviet Union has ceased to exist.

The complete text of the communique is as follows:

The People's Party is aware of the great concern throughout the world related to the dissolution of the Soviet Union, which ended on 25 December with the resignation of President Mikhail Gorbachev, and wishes to delineate its position with respect to these changes. The changes are logical and consistent with the worldwide changes of the times.

1. The USSR has ceased to exist. It has given way to the new "Commonwealth of Independent States," [CIS] a new approach in association by the great majority (11) of the former Soviet Republics.

2. According to statements made by Yeltsin and Gorbachev, these 11 republics must continue the reforms started by perestroyka and glasnost. Within this framework, they must continue to reconstruct the new political, economic, social, and cultural relations according to international law.

The CIS is currently facing a great challenge. It is heading toward a capitalist system, or heading to a post-capitalist society.

This situation is of great concern to all Panamanian communists. We hope the changes that have taken place in such an enormous country will help mankind to achieve rapidly the greatest ideals of peace, liberty, justice, human rights, and socioeconomic progress.

It is our hope that the outcome of this situation may be achieved from a socialist or post-capitalist perspective. We do not have enough information to arrive at definite conclusions at this time.

People's Party Member Urges Leadership Changes

PA2812021991 Panama City CRITICA LIBRE in Spanish 27 Dec 91 pp 40, 26

[Report by Justino Gonzalez]

[Text] Cleto Sousa, member of the People's (Communist) Party [PP] politburo, said on 26 December that the party leadership should be renewed if it fails to meet the new expectations of the members now that the Soviet Union has disappeared.

Sousa told this newspaper that his party leadership must meet the political changes that have taken place in the Soviet Union. Otherwise, these leaders will be swept away by history and the party's rank and file.

The seasoned communist leader said that he agrees with renewing the PP leadership and that this is a demand of the rank and file and other PP leaders.

He said that communist parties will have to undergo some changes because of the current situation in the USSR. He does not think, however, that this is the end of socialism.

Regarding Mikhail Gorbachev's resignation as president of the Soviet Union, Sousa said "this is the climax and the end of a system that exhausted one stage." He added that the chain of events should be studied carefully to avoid a partial or wrong judgment. "It is still too early to define what happened in Lenin's homeland. We have to keep watching."

The important thing is, Sousa said, not to wonder about the duration of the communist parties in the Soviet Union and the world, but what will happen to workers.

Sousa, a former leader of the Federation of Panamanian Students, said that, when one side changes, so does the other. Clearly alluding to the United States, he said this country will be affected by a crisis and serious economic problems.

For the time being, we are all in question, including Lenin, Marx, and Mao. The debate should be deepened. If our leaders fail to meet expectations, they will be replaced, he said.

Sousa has been at the PP's top leadership for the past 20 years. Ruben Dario, Luther Thomas, Miguel Porcel, Carlos Changmarin, Cesar de Leon, and others are also prominent figures.

Minister Ford, Commissioner Henriquez on Budget

PA2712135591 Panama City Telemetro Television Network in Spanish 1753 GMT 26 Dec 91

[Text] A gentlemen's agreement reached 26 December led to the vote of silence with which the executive branch dealt with the parliamentarians' pressure to debate and approve the country's 1992 budget before Christmas.

The revision of and increases in the operating budgets of 11 institutions and the investment budgets of seven others are the points in the 1992 budget on which the executive and the legislative branches have to agree in the next few hours. Planning Minister Guillermo Ford and Legislative Assembly budgetary commissioners met behind closed doors on 26 December. This is Minister Ford at the end of the meeting.

[Begin recording] [Ford] We are extremely pleased. The meeting was particularly positive. Specific proposals were made to increase the investment budget. Salary adjustments were made. I will present them at a cabinet meeting this afternoon. I expect to close the budget subject 26 December so the Legislative Assembly has sufficient time to approve it prior to 31 December.

[Unidentified reporter] What is the chance this will be accomplished?

[Ford] From the executive branch's view, it is very likely it will be accomplished. But, although I cannot speak for the 12 ministers or the president, I have the necessary arguments I think will suffice. For a consensus, there must be flexibility on both sides.

[Reporter] How about the basic adjustments in the fields of education, housing, health, etc?

[Ford] That has already been outlined in the budget. I would rather not discuss certain details so as to not create false expectations. A number of adjustments have been made, however. It may be of interest to you to know that a large allotment has been made for improving industrial roads, a plan the executive branch fully approves. We are in fact taking a different direction in certain areas that are not substantial but will have a positive impact on production.

[Reporter] Does this have anything to do with the approval of privatization and other compromise proposals awaiting debate at the assembly?

[Ford] I would not talk about compromise. In every democratic country, the executive and legislative branches have to work with a common denominator, the country. A gentlemen's agreement to approve certain proposals was reached. We should not look separately at the political or constitutional aspects; the economic aspect, represented by the tax reform; or the budget. So we have combined the three aspects and decided that the three substantial proposals must be approved. [end recording]

Milton Henriquez, chairman of the budgetary commission, announced a schedule for the assembly to discuss the subjects of interest, including the 1992 budget.

[Begin Henriquez recording] It was agreed to discuss in first debate the constitutional reforms, a discussion that was concluded on 26 December, then the tax reform, and finally the budget proposal. We planned to do this prior to 31 December so the constitutional reforms, the proposals for privatization, and the creation of jobs could be debated a second time. Time is running short. We will probably start the tax reform debate on 26 December. Because it is a complex subject, it will probably take the rest of December. This would preclude discussing the budget. We are trying to make arrangements so the budget can be discussed expeditiously. But I am not sure we will reach a consensus in time because of the complexity of the budget. If we could have more time, I would feel more confident. [end recording]

'Hasty' Constitutional Reform Bill Approved

PA2712194391 Panama City Circuito RPC Television in Spanish 2300 GMT 26 Dec 91

[Report by Alvaro Abdiel Alvarado]

[Text] The Legislative Assembly has approved in the third debate Act No. 1 of the Constitutional Reform Bill, which has been described by many as hasty and premature given the short time of discussion at the legislative plenum.

[Begin recording, Ruben Arosemena, Legislative Assembly secretary] The results are as follows: Fifty votes in favor; 13 against; and zero abstentions. Mr. President, Legislative Act No. 1 has been approved in the third debate. [end recording]

The 13 votes against the reforms were cast by 11 legislators from the Democratic Revolutionary Party [PRD], Liberal Party, and Republican Party, as well as Nationalist Liberal Republican Movement legislators Leo Gonzalez and Eliseo Alvarez. The approval of Legislative Act No. 1 occurred after six days of heated debates, during which parliamentarians from different legislative wings explained their views on the 58-article reform package.

The most important aspects of the reforms are those aimed at eliminating the Army; strengthening the Electoral Tribunal and the Judiciary Branch; establishing controls on the number of legislators; and establishing what juridical authority is granted to the Legislative Assembly to try the attorney general and the solicitor general. In addition, one of the most important aspects of the reforms is the elimination of previous authority given to the comptroller general to oversee and handle public accounts, which has been criticized by the members of the PRD.

[Begin recording] [Gerardo Gonzalez, PRD legislator] The Comptroller General's Office has been stripped of its previous auditing functions and restrictive oversight authority. This will become effective 1 October 1994. In other words, the constitutional reforms will allow for fewer controls on public spending in the future, which institutionalize corruption.

[Jose Antonio Sossa, Christian Democratic Party legislator] With regard to the comptroller general, the reforms are aimed at forcing him to respect the budget. [end recording]

Despite the approval of the Constitutional Reform Bill in the third debate, juridical sectors have described the reforms as premature and hasty.

[Begin recording] [Manuel Garcia Almengor, dean of Panama University's Law School] I perceive with some regret that we have not been allowed to express our views on constitutional matters. We do not know the contents of the constitutional reforms. We only know what has been published by the newspapers.

I think many of the said reforms are insignificant and shy. There are many changes that should be included in the constitutional reforms and we are not taking advantage of this opportunity to do so. If 5 or 7 million balboas

are going to be spent on a referendum or plebiscite, I think the reforms ought to be more complete.

[Donatilo Ballesteros, solicitor general] I think the groups linked to the Bar Association, the professional groups, all sectors of public life, should have discussed the reforms more fully. I think the proposed reforms should have been more widely publicized. [end recording]

It is now expected that these reforms will be approved in a second legislative act in special sessions to be held in January. Later the reforms will be submitted to popular approval via a referendum.

Endara on Cabinet Approving Laws, Other Topics

PA2712222391 Panama City Circuito RPC Television in Spanish 2300 GMT 26 Dec 91

[Report by Mara Rivera]

[Text] During a news conference on 26 December, President Guillermo Endara announced that the Cabinet Council approved a motion to increase the budget of corregimiento representatives from $5,000 to $10,000. He also announced that he signed the Social Security Fund Bill into law, adding that on 27 December it will be published in the Official Gazette.

President Endara also mentioned that the payment of bonuses to pensioners will begin on 27 December.

[Begin Endara recording] The government will distribute more than $6.6 million to retirees on 27 December. These payments will be distributed in such a way to benefit pensioners who earn less money. [end recording]

The president said that the reforms are not being discussed as hastily as some people claim.

[Begin Endara recording] The discussions on constitutional reforms began when I assumed power. I took office in December 1989 and if I am not mistaken, in March of the following year I presented, through the corresponding minister, a list of reforms for discussion.

There is nothing wrong with the political arrangements, especially when they are aimed at changing a political situation, which in this case means the Constitution of the Panamanian State. We have wanted to modify the Constitution for a long time.

We should point out that the constitutional reforms are aimed at establishing a civilian state. [end recording]

Regarding the Directorate for the Recovery of State Property's decision to freeze the accounts of Menalco Solis, director of the Council for Public Security and National Defense [Conasepuden], Endara stressed that Solis is a man of the president.

[Begin Endara recording] When I selected Dr. Menalco Solis to fill the post of Conasepuden director, I did it because I trusted him. This post should be filled by a confidant of the president. [end recording]

Endara also voiced his interest to establish diplomatic relations with the Commonwealth of Independent States, which was created after the disintegration of the USSR.

Meanwhile, he emphasized that no cabinet changes will be made.

Arias Calderon Urged To Attend Cabinet Meetings

PA3012035391 Panama City EL PANAMA AMERICA in Spanish 29 Dec 91 p 1

[Report by Juan Pritsiolas]

[Text] President Guillermo Endara on 28 December urged Ricardo Arias Calderon, first vice president and leader of the opposition Christian Democratic Party [PDC], to attend the Cabinet Council sessions.

"I want it to be known that the cabinet has always had a place reserved for the first vice president and he will always be very welcome," Endara stated on the "Loud and Clear" program broadcast by the Telemetro Television Network.

The president said the cabinet does not want to force Arias Calderon to attend its meetings but that it has his seat ready for "whenever he wants to return."

Ricardo Arias Calderon recently stated that his participation in the Cabinet Council would place him in a situation of choosing between being "an accomplice or being disloyal" to the decisions made in those sessions.

The first vice president only has the right to express an opinion but not to vote in the Cabinet Council.

Arias Calderon has not attended the cabinet meetings since April, when his party was excluded from the government alliance.

The opposition Democratic Revolutionary Party (PRD) last week filed charges of embezzlement against Arias Calderon, accusing him of receiving the salary of vice president without fulfilling his duties in the government.

On another topic, President Endara said that everyone's new year's resolution should be to work to "move Panama forward," because this is what we expect from "our democracy."

The president said he hopes that an agreement will be reached with the international financial institutions next year, because this will help the country to obtain loans and would encourage foreign investors to see Panama as a safe location to establish enterprises.

Guillermo Endara said his government moved with "very rapid steps" in 1991 and he lamented that the news media did not publicize the government's achievements this year.

Poll Shows People Want Country Demilitarized

PA3012021191 Panama City LA PRENSA in Spanish 28 Dec 91 p 1

[Report by Manuel Alvarez Cedeno]

[Text] According to a poll conducted by the Dichter and Neira consulting firm, more than half of those Panamanians polled continue to believe that the country should be demilitarized, that the country should not have an army, and that the constitution should be amended to legally proscribe an army.

The Panamanian army was disbanded two years ago by the U.S. troops who invaded Panama and seized General Manuel Noriega, who is being tried on drug trafficking charges in Miami.

The poll was conducted among 931 Panamanian men and women at the beginning of December.

Of those polled, 65.1 percent continue to believe that Panama should be demilitarized and not have an army. This is very similar to the results of an August poll in which 62.8 percent held the same opinion. In the December poll, only 21.1 percent opposed eliminating the army.

The Panamanian army, which ruled the country for 21 years, was disbanded on 20 December 1989. On 26 December 1991, the Legislative Assembly approved constitutional amendments that eliminate the army.

The poll also showed that 54 percent of those polled believe the constitution should be changed to eliminate the army. In the August poll, 56 percent held a similar view.

Of those polled, 18.9 percent were in total agreement with the elimination of the army while 35.4 percent agreed with the elimination of the army. Only 3.5 percent disagreed, 1.3 percent totally disagreed, and 17.3 percent did not give an opinion.

According to the poll, 61.5 percent believe that some of the articles in the constitution should be changed; 27.4 percent are attracted to the idea of a constituent assembly; and 10.2 percent are opposed to any constitutional changes.

The last time the Panamanian Constitution was reformed was in 1983. The government of President Guillermo Endara has been criticized by various sectors, which stress that the country is still being governed with the constitution used by the military rulers.

Argentina

Menem Invites Gorbachev, Yeltsin To Visit

PY2712232491 Buenos Aires CLARIN in Spanish 27 Dec 91 p 7

[Excerpts] Yesterday, the government invited Mikhail Gorbachev, former USSR president, and Boris Yeltsin, president of the Russian Federation, to visit Argentina, and it took the opportunity to genteelly note that Russia has inherited the debts and commitments of the socialist superpower. [passage omitted]

This decision was made during a cabinet meeting yesterday morning and later acted on by Foreign Minister Guido di Tella. [passage omitted]

Menem also extended the invitation to Raisa Gorbachev, wife of the father of "perestroyka," inviting her to visit Argentina when she wants.

Due to the many invitations that Gorbachev has already received now that he is not in power, and the unpostponable commitments Yeltsin has, it can be assumed that they will not be able to come in the near future. [passage omitted]

President Menem Returns From Uruguay Visit

PY2912220291 Buenos Aires TELAM in Spanish 1625 GMT 29 Dec 91

[Text] Buenos Aires, 29 Dec (TELAM)—President Carlos Menem arrived just before 1400 in the military section of the Metropolitan Airport from Punta del Este, Uruguay, on board the presidential airplane, Tango 01.

Menem returned after a two-day visit to Uruguay, where he signed bilateral agreements with his Uruguayan counterpart, Luis Alberto Lacalle.

Menem, who was wearing a pink knit shirt, jeans, and moccasins, returned with private secretary Ramon Hernandez and Military Household chief Andres Antonietti. He left the airport, without making any comments to the press on board, in his private car for the Olivos residence.

Privatization of Defense Sector Firm Called Off

PY2712224891 Buenos Aires BUENOS AIRES HERALD in English 27 Dec 91 p 5

[From the "Business World" column]

[Text] (NA-DYN)—The privatization of Forja Argentina was called off yesterday by Defence Minister Antonio Erman Gonzalez. Forja, a defence sector firm in Cordoba province, had been awarded to the company Forcor in October. Resolution 1372 of the Defense Ministry pointed out yesterday that the private buyer did not make pledged payments for the purchase of the state firm, which manufactures railway rolling stock. This is the second time that the privatization of Forja stalls.

Corrientes Gubernatorial Election Declared Void

PY2712225091 Buenos Aires BUENOS AIRES HERALD in English 27 Dec 91 p 1

[Text] (NA-DYN)—The Supreme Court yesterday declared null and void the Corrientes Electoral College decision to elect Raul Romero Feris as the new governor because the Electoral College did not make a quorum.

The Autonomist Liberal Party (PAL) represented by Romero Feris had only 13 electoral college delegates and the alliance between the Justicialist and Radical Parties accounted for the other 13 delegates of the Electoral College.

According to the provincial constitution, 51 percent of the delegates must be present at the Electoral College meeting to make a quorum.

Bolivia

USSR 'Transformation' Will Not Affect Relations

PY2712151891 La Paz Television Boliviana Network in Spanish 0200 GMT 27 Dec 91

[Text] In the Bolivian foreign minister's opinion, the Soviet Union's transformation process will not affect bilateral relations or the negotiation of our foreign debt.

Foreign Minister Carlos Iturralde said that the Soviet Union is going through a democratic transformation process, currently led by the outstanding politician Boris Yeltsin. He said that this process does not involve major changes at the bilateral relations level.

[Begin recording] I am sure that, within the international community, the Russian federation will contribute to promote world peace and security. I am sure that it will also contribute to promote progress and cooperation among nations.

I am convinced that the Bolivian and Russian nations will jointly develop their friendship and cooperation ties in all fields. [end recording]

Partial Pardon Agreement Signed With Belgium

PY2712212891 La Paz PRESENCIA in Spanish 18 Dec 91 p 7

[Excerpt] Foreign Minister Carlos Iturralde reported that Bolivia's ambassador to Belgium has signed an agreement with the Belgian Government. Bolivia will receive a grant of 200 million Belgian francs (about $6.2 million) for the Bolivian balance of payments.

Notes on the agreement with regard to a partial pardon of Bolivia's debt with Belgium were signed on 9 November.

Through this agreement, Bolivia will repurchase its debt notes with Belgium for a total of 200 million Belgian francs, achieving a 68 percent discount through this operation.

According to Iturralde, this discount will involve a savings of 625 million Belgian francs (about $20 million). [passage omitted]

Labor Federation Stage Protests Nationwide

PY2812022091 La Paz La Red Panamericana in Spanish 0000 GMT 28 Dec 91

[Excerpts] Today has been a day of protest. The Bolivian Labor Federation [COB] staged protest rallies and mobilizations throughout the country today.

Few people attended the rally in La Paz, but they were much more combative than on previous occasions. For the first time in the past 10 years, the workers were able to enter Plaza Murillo. Surprised policemen began to hurl tear gas canisters at random, without sparing pedestrians or workers in offices overlooking the streets. If we take into account that the current number of injured people stands at 20, we can conclude that the police acted brutally. National Deputy Filemon Escobar was beaten and injured by National Police personnel. [passage omitted]

Freddy Ontiveros, a COB board member, evaluated the results of the COB-sponsored mobilization nationwide. He said the police's repressive action cannot be justified. [passage omitted]

A national COB assembly opened today at 1810 at the factory workers' La Paz headquarters . Bolivian teachers have decided to propose at this assembly that an indefinite strike be observed by all workers as the only fitting answer to the government's violent actions and to its reluctance to meet workers' demands.

Elaborating on the teachers' proposal, Miguel Lora [not further identified] said:

[Begin recording] [passage omitted] We are going to demand again that the COB officially establish the need for a national mobilization, further this national mobilization, and, within this framework, proceed to occupy mines and work centers as a fitting response that will be instrumental in stopping the government's unfortunate policy. [end recording]

Brazil

Government Wants To Join UN Peacekeeping Force

PY2712172091 Madrid EFE in Spanish 1230 GMT 27 Dec 91

[Text] Brasilia, 27 Dec (EFE)—Brazilian Foreign Minister Francisco Rezek today said that the Brazilian Government is willing to join the UN peacekeeping force in Yugoslavia.

Official sources have reported that Brazil is merely waiting for an invitation from the United Nations to send a contingent of some 800 soldiers.

On 26 December Minister Rezek met with Army Minister General Carlos Tinoco to discuss the details of Brazil's possible participation in the "Blue Helmet" force.

Brazilian troops have joined UN contingents in the past: in Egypt (1956) and in the Dominican Republic (1965).

Rio Conference Positive for Amazon Environment

PY2812005691 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 27 Dec 91

[Text] Foreign Minister Francisco Rezek has stated that Brazil's program for development of the Amazon region will be one of the principal subjects of discussion at the Rio de Janeiro conference in June 1992.

According to the foreign minister, the Rio-92 international conference on the environment to be held in June will have two positive points: First, it will acquaint other countries with Brazil's situation, which will contribute to eliminating Brazil's negative image abroad, and second, the conference will give importance to Brazil's long-term program for development of the Amazon region.

The program, which will be financed by the G7, the group made up of the seven wealthiest countries in the world, seeks to develop the region without damaging the environment.

[Begin Rezek recording] Brazil's pilot program, which the G7 will finance, is an early model, which the 1992 Rio conference will favor as a model program. This is a program that we would like to build in the near future, honoring our responsibilities as a country that has an ecological patrimony that no one else in the world has today. [end recording]

Minister Rezek said that Brazil needs international cooperation to develop environmental projects that view the Amazon region as the largest forest reserve in the world.

IMF Pressure Reduces Military Expenditures

PY2912233891 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Dec 91 Political Section p 7

[Text] Brasilia—Economic experts have revealed that the Brazilian Government has reduced the percentage of the budget for the Armed Forces due to pressure from the IMF. The initial estimate of 5 percent of the budget for military expenditures was reduced to 3.65 percent due to IMF pressure.

Navy Making First Brazilian-Made Submarines

PY2812165691 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 28 Dec 91

[Andre Luiz Azevedo report from Rio de Janeiro]

[Text] On the trucks, they just seem to be huge pipes. Nevertheless, these steel parts will form the hulls of the first Brazilian-made submarines. These parts were assembled at the old nuclear power plant factory of Nuclep [Nuclebras Heavy Equipment, Inc.] in Itaguai, in the interior of Rio de Janeiro State.

Flatbeds were first used to transport these parts. Subsequently, a special ship was used, and finally they were unloaded at the Navy's shipyard in Rio de Janeiro. Each part weighs 60 metric tons and is 6.2 meters high.

With the arrival of the hull, the assembly of the third Brazilian Navy submarine begins. These submarines are being built in Brazil using German technology. Each one will cost 80 billion cruzeiros at current prices.

The three submarines are now on the assembly line. The first one to be completed should begin open sea tests in 1993.

With the manufacture of these submarines, the Navy is preparing itself for a far more ambitious step: the construction of the first Brazilian-made nuclear submarine.

Marques Says No Recession, Inflation To Drop

PY2812131291 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 28 Dec 91

[Text] In 1992, there will be no recession and inflation will drop. This was guaranteed by Economy Minister Marcilio Marques Moreira, who reported that 1992 will be a year of economic transition.

The minister believes in, and is optimistic about, the recovery of the public's credibility in the Economy Ministry and the national currency.

[Begin recording] Fiscal expansion, monetary expansion will be contained. With this, there will not be enough money to support the inflation that is destroying our ability to invest and that has been choking our possibilities to grow for more than a decade. [end recording]

The minister ruled out the possibility that the government will implement a new economic plan in February. He reasserted that the policy of monetary and fiscal austerity and support to the agricultural sector will be maintained.

Marques Says Creditor Bank Negotiations 'Tough'

PY2912023891 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Dec 91 Economic Section p 1

[Text] Brasilia—Economy Minister Marcilio Marques Moreira stated yesterday that the government is having difficulties in the negotiations with creditor banks to reschedule the $52 billion debt. According to Marques Moreira, negotiations will probably end only in the beginning of April. Initially the minister predicted an agreement by February.

"It will be a tough negotiation, because we must adopt a tough stance with the banks, and the bankers will complain," the minister said. "The parties have not yet reached an agreement on the terms of the negotiation," he explained. According to Marques Moreira, these difficulties arise with the action of small banks "which are tougher in the negotiations."

The economy minister repeated yesterday that the signing of an agreement with the IMF, scheduled for early January 1992, "will facilitate an agenda abroad." According to the minister, a green light from the IMF will give the country better conditions to "begin negotiations with creditor banks, which will be satisfactorily resolved within the next few months."

Despite the difficulties in foreign debt negotiations, the economy minister said that the drop in the inflation rate will be the most important economic event in 1992. But to achieve this the government will not resort to such practices as preestablishing prices and salaries to guarantee a considerable drop in the inflation rate, or a formal pact between businessmen and workers. "We want a basic understanding, with the concurrence of the whole of society in the quest for economic stability, because we feel that a natural chain of events often works better," he said.

According to the minister, the economic team does not work with the alternative of preestablishing prices and salaries because there is confidence that the continuation of the monetary and fiscal policies, the recovery of public credit, the acceleration of the privatization program, and a change in expectations will guarantee the stabilization of the economy. "These instruments have not been tested with sufficient time to yield the expected effect," he said.

The economy minister added yesterday that the government has not given up the right to charge a 35 percent tax rate on salaries higher than 50 times the minimum salary. He said that the proposal will again be submitted to Congress, accompanied by a set of tax reform measures scheduled for next year.

Collor Abolishes Another State-Owned Enterprise

PY2812144891 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 28 Dec 91

[Summary] The government has abolished another [state-owned] enterprise. President Fernando Collor has decreed the liquidation of the National Department of Reclamation Projects, DNOS. The DNOS had 2,960 employees.

Agriculture Minister Assesses Activities in 1991

PY2812023291 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 27 Dec 91

[Text] Agriculture Minister Antonio Cabrera has stressed the resumption of meat exports as a positive point for Brazilian agriculture in 1991.

The year 1991 was much better for agriculture than 1990, the minister said on making a balance of activities during the year, stressing the resumption of high quality meat exports from Minas Gerais and Mato Grosso do Sul to the EEC. Another important point stressed by the minister was the government's new agricultural policy, which resulted in great progress in the quality of the agricultural product. He said this has improved the country's agricultural scenario, increasing the grain harvest.

[Begin Cabrera recording] We have had a new agricultural plan announced by the president resulting in great progress for small- and medium-size farm owners. That is, for the first time in our history we have managed to convert the agricultural product into money for the farmers. If the financing was equivalent to six bags of rice, he will pay for six bags of rice. This has improved the agricultural scenario. We hope to increase the grain harvest for next year by almost 9 million tons. [end recording]

The agriculture minister added that this year was rather difficult for agrarian reform. He said the government worked with the limited stock of land available to the state. Nevertheless, approximately 93,000 farming families received land titles in 1991.

Agrarian Reform Plan To Benefit 15 Settlements

PY2812003491 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 27 Dec 91

[Text] A new agrarian reform program will benefit 17,000 families in 15 settlements in Mato Grosso do Sul. According to Renato Simplicio, National Institute of Land Reform and Settlement state superintendent, six billion cruzeiros will be used in infrastructure projects.

In Corumba alone, the emergency program will benefit four settlements: Taquaral, Tamarineiro, Mato Grande, and Urubum. In Mato Grosso do Sul, the package of emergency projects also includes feasibility studies for opening 250 km of roads, the additional construction of 240 km of roads, and the recovery of at least 26 km of highway. The project also includes the construction of 43 schools, eight health centers, eight administrative offices, four community centers, five grocery stores, 18 dams, and 25 wells.

Chile

Government Recognizes Russia, Ukraine, Belarus

PY2712172691 Santiago Radio Chilena Network in Spanish 1600 GMT 27 Dec 91

[Text] Foreign Minister Enrique Silva Cimma has announced that the Chilean Government has decided to recognize the governments of Russia, the Ukraine, and Belarus.

[Begin recording] The Chilean Government has decided to recognize the Russian Federation governments, and to this end Silva has sent a note to his Russian counterpart through our diplomatic mission. The Chilean Embassy in the former Soviet Union will be thus accredited before the authorities of the Russian Federation.

The Chilean Government has also decided to recognize the Ukraine and Belarus Governments. [end recording]

Silva added that the prompt establishment of concurrent diplomatic missions before Ukraine and Belarus authorities is being analyzed. He also said that the recognition and establishment of diplomatic relations with the remaining states of the former Soviet Union which gave birth to the new Commonwealth of Independent States is also being analyzed.

He also said that Clodomiro Almeyda, the Chilean ambassador to the former Soviet Union, will return to Moscow as soon as he has fulfilled his mission in Santiago.

Silva also noted Chile's wish to maintain good relations with the republics that have been recently recognized.

[Begin recording] Through this decision, Chile expresses its wish to maintain close and most cordial relations with the new democratic republics. It also wishes prosperity and development to these nations which now join the international community. [end recording]

Silva finally praised the task undertaken by Mikhail Gorbachev as far as his effort to assure democracy and peace in the world is concerned.

Croatian Arms Sales Used 'Administrative Crimes'

PY2812014091 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 27 Dec 91

[Text] It has been proven that military and civilian personnel used irregular procedures and committed administrative crimes in the export of weapons to Yugoslavia. This was stated in a report prepared by the Army that was delivered to the Defense Ministry at noon.

The Army made public the conclusions of the investigation by the Army Military Industry and Engineering Command in a two-page communique. The report states that the change in the destination of the weapons shipment, from Sri Lanka to Hungary, was due to irregular intervention by a Famae [Army Ordnance] dispatcher,

identified by the "24 Hours" news program as Ramon Vicente Perez Orellana. The change was also due to irregular procedures implemented by the personnel who processed the export documents. They exceeded their authority. Some of these procedures could be considered crimes. As a result of this evidence, the Army commander has decided to punish the military personnel whose responsibility has been determined through the investigation.

The communique adds that on 19 December the Army filed a lawsuit before the 2d Military Court of Santiago denouncing this crime.

Meanwhile, Defense Minister Patricio Rojas commented this afternoon on the Army report, describing it as satisfactory. Rojas said that for the time being, no Army officers have been discharged, arrested, or prohibited from leaving the country. He did not, however, rule out the possibility of this occurring.

[Begin recording] [Rojas] Famae is the seller; therefore, it is responsible for the operation.

[Unidentified reporter] Minister, does this mean that the Famae director, as the chief of this important institution, will retire?

[Rojas] As I said, I think that hierarchical responsibilities must be respected, as in this case, where the investigations have pointed toward Famae; however, I think there is clear evidence of dishonesty from the beginning by those who represented the buyers. [end recording]

Many points must still be clarified, especially at the administrative level. This is why the Defense Ministry requested that the Supreme Court appoint a special judge to investigate the illegal weapons shipment to Croatia.

Japan Replaces U.S. as Main Market for Exports

PY2812024091 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 27 Dec 91

[Text] The United States is no longer the principal market for Chilean exports. In 1991, and for the first time in history, the United States was replaced by Japan.

Eduardo Moyano, Foreign Ministry Economic Relations director, said that between January and November, Chilean exports to Japan reached $1.491 billion, while exports to the United States reached $1.480 billion. Exports to Germany reached $665 million, putting it in third place. Moyano said total Chilean export figures for 1991 are estimated at $9 billion. He also said that nontraditional exports—which include textiles, wooden goods, shoes, wines, and furniture—are expected to increase 15 percent [no period of time specified].

Letelier Case: Contreras, Espinoza Bail Approved

PY2612165891 Santiago Radio Chilena Network in Spanish 1629 GMT 26 Dec 91

[Text] By a 4-1 vote, the Supreme Court authorized a few minutes ago the release on bail of Manuel Contreras and Brigadier Pedro Espinoza, who are charged with involvement in the murder of Orlando Letelier and forging passports.

After hearing the statements of both sides for more than two and a half hours, the court decided to order the release of both officers on the grounds that the existence of pending proceedings does not justify their being held. The two officers have been detained since 23 September 1990, Manuel Contreras at the Military Hospital and Espinoza at the Army Telecommunications Command. Court sources reported that Espinoza and Contreras will leave their places of detention this afternoon.

Asked about the court decision, attorney Fabiola Letelier said:

[Begin recording] In our allegation we clearly outlined the specific reasons why Contreras and Espinoza should be held under preventive arrest. We clearly noted the danger posed to society, considering the nature of the crime that they committed as direct authors. The crime is aggravated homicide, a homicide that was aggravated by approximately five other circumstances. In our allegation we noted the risk that Contreras' and Espinoza's release will pose for the successful outcome of the investigation. [end recording]

Contreras' lawyer, Humberto Neumann, said this resolution endorses the faith that they have in the courts, which decided that reason was on the side of the two prosecuted men. He added that the resolution deals exclusively with the release on bail and that it does not affect the trial.

Foreign Investment Reaches Record in 1991

PY2712142891 Santiago EL MERCURIO in Spanish 18 Dec 91 pp B1 B16

[Summary] Fernan Ibanez, executive secretary of the Foreign Investments Committee, announced 17 December that authorized foreign investment reached $3.394 billion in 1991. Ibanez said that this is a record, adding that it is equivalent to about 13 percent of Chile's Gross Domestic Product.

Eurobonds Issue Totaling $320 Million Planned

PY2812025091 Santiago Radio Cooperativa Network in Spanish 2200 GMT 27 Dec 91

[Summary] Chile will raise $320 million by issuing bonds in the next few months. This was stated by Jorge Lopez, financial policy chief for the National Treasury, who said a second issue of the so-called Eurobonds will be made following the first in March 1991. The first issue of bonds was purchased by 13 European, U.S., and

Japanese banks. He also announced that a program to modernize Chilean tax reform is being implemented with the assistance of the World Bank.

Colombia

Communiques on Russian Federation Issued

PA2812191491 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 28 Dec 91

[Text] Santa Fe de Bogota—The Colombian Government has announced that it will maintain diplomatic relations with the Russian Federation, following the disappearance of the USSR. The Colombian Foreign Ministry also accepted the participation of the Russian Federation at the UN Security Council.

The Foreign Ministry reported that it is willing to establish diplomatic relations with the other states that form the new commonwealth.

Colombia publicly recognized the progress made by outgoing Soviet President Mikhail Sergeyevich Gorbachev. The Foreign Ministry issued a communique stating that Gorbachev has contributed to the democratization process and to the atmosphere of detente in international relations.

The Foreign Ministry issued another communique announcing its intention to maintain diplomatic relations with the Russian Federation.

Normal Relations To Be Maintained With CIS

PA2712222591 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1744 GMT 27 Dec 91

[Text] Through Foreign Minister Nohemi Sanin de Rubio, the Colombian Government has announced that normal relations will be maintained with the Commonwealth of Independent States [CIS] headed by Boris Yeltsin, just as Colombia did with the Soviet Union.

With the formation of CIS, new problems have arisen in this divided region of the world. The leading republics are now debating military affairs and control of nuclear weapons.

Government, CNGSB Attempt To Resume Talks

PA2812151591 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 27 Dec 91

[Text] Regarding the interrupted dialogue between the government and the rebels, several members of the Advisory Commission on Public Order are currently engaged in telephone conversations and possibly personal meetings with leaders of the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] assembled in a mountainous area in Uribe, Meta Department.

The goal of the rapprochements is to resume the peace talks in Caracas before 1 February.

Peace cannot be put off for so long; a better climate of understanding is required. This is why the Advisory Commission on Public Order is creating the best conditions for the dialogue in Caracas to be resumed in February, Commission member Gilberto Vieira said. Here we have Vieira's words.

[Begin Vieira recording] We had an exchange of opinions. In this exchange, the CNGSB and the Advisory Commission set out the convenience of creating favorable conditions for visiting the rebels' superior commands in order to get to know their opinions fully, and also for them to listen. [end recording]

On the resignation of Mikhail Gorbachev, Gilberto Vieira said he was the victim of his own creation; the chaos in the USSR got to be unbearable.

[Begin Vieira recording] Paradoxically, he retires or loses power with enormous international prestige—this is certainly quite fitting, given that he was responsible for the end of the cold war, and that he initiated a policy of nuclear disarmament—but at the same time is totally discredited in his own country. [end recording]

Gilberto Viera explained that the Colombian Communist Party never received money from the USSR; only scholarships were granted to Colombian students.

Minister Calls Guerrilla Attack 'Regrettable'

PA2712131191 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 26 Dec 91

[Report by Carlos Gomez Herrera]

[Text] Defense Minister Rafael Pardo Rueda, who participated in the police cadet graduation ceremony 26 December in Santa Fe de Bogota, stated that the guerrilla attack against a Narino Department police station is the standard conduct shown by the guerrillas throughout the year.

[Begin Rueda recording] It is really very regrettable. On Christmas Eve, an attack took place in Narino that, unfortunately, resulted in three police officers killed. I believe this type of act really casts many Colombians into mourning. It also casts a shadow on the possible resumption of the peace dialogue. [end recording]

On 26 December approximately 4,000 police cadets started active duty as police assistants throughout Colombia.

Ecuador

President Borja on Foreign Debt Renegotiation

PA2812192091 Paris AFP in Spanish 1840 GMT 27 Dec 91

[Text] Quito, 27 Dec (AFP)—Ecuadoran President Rodrigo Borja reiterated on 20 December his intention to defend his country's interests. He pointed out that "if the

foreign banks were more flexible and more reasonable, we could arrive at an agreement" on the renegotiation of the foreign debt.

In statements to Radio Quito, radio station belonging to the EL COMERCIO newspaper, the president said that he did not know if he could reach an agreement with the private banks in the remaining seven months of his administration. He noted, however, the refinancing and agreements signed with creditor governments (Paris Club) and with multilateral organizations.

The Ecuadoran debt totals $11.5 billion, of which some $7 billion is owed to 400 private foreign banks. Three years ago, Borja proposed the renegotiation of $5.6 billion, which included $1.2 in arrears.

Until the renegotiation is finalized, including Ecuador's request for a 70 percent reduction of the capital, this nation pays 30 percent of the interest owed, except to Citibank, its main creditor.

"We have not been able to reach an agreement with the private banks because I am defending the national interests. If I had given in to their demands, we would have renegotiated the debt a long time ago," the president said.

Borja described the unilateral seizure last year of $80 million by Citibank, which served as draft bank for the committee that represented all private creditors, as a "lash of a claw" and a "dishonest act."

The president recalled that Citibank's attitude was ultimately criticized by the U.S. Administration and by other creditor banks. Nevertheless, the $80 million was never returned to Ecuador, because this bank used it to cover part of the Ecuadoran foreign debt.

As a result, Ecuador's Central Bank decided to withdraw all of its money from U.S. banks and others headquartered in that country and to place its international monetary reserves of $560 million in Swiss banks.

Government Spokesman Discusses Fujimori's Visit

PA2712211491 Quito Voz de los Andes in Spanish 2300 GMT 26 Dec 91

[Report by Francisco Sanchez]

[Text] Government Spokesman Gonzalo Ortiz Crespo has said that the 9 January visit to Ecuador by Peruvian President Alberto Fujimori will constitute an important and historic step in international relations; however, we cannot jump to the conclusion that the visit by the Peruvian president will settle a 150-year-old border conflict.

[Begin recording] [Ortiz] I want us to deal with this issue with the highest possible degree of seriousness. I will not speculate about it. I believe that we must wait and see what the Peruvian president will propose. We reaffirm our spirit of openness and insist on the need to negotiate the problem. We cannot predict the results of the visit. I believe, however, that we must not nurse or create very lofty expectations, in order to avoid having Fujimori's visit branded as a failure should this visit yield no solution to the century-old border conflict. I believe that this is a new and important step within the process, but we should not expect definitive agreements regarding our conflict with Peru.

[Sanchez] But should it be a meeting for photo opportunities, rhetoric, and embraces?

[Ortiz] That was not the goal of the meetings; you know that is not true. Two hours of meeting in Cartagena were not spent on that. The embraces and pictures came in the last five minutes, following two hours of talks. There is much progress, and it is important to create the right atmosphere. We cannot, however, expect that a 150-year problem will be settled in two meetings.

[Sanchez] What will be the country's position?

[Ortiz] Do not ask me that question, because I am not the spokesman. I urge you not to seek answers where you should not. The Foreign Affairs Ministry speaks for Ecuadoran international relations, and it has been confirmed that the president of the republic, who leads Ecuador's international policy, is conducting it in the best way. I can assure you that the policies of Ecuador will be defended—its Amazonian rights and the need in the future to maintain cordiality and a peaceful atmosphere in order to solve this problem.

[Sanchez] Is there already an agenda?

[Ortiz] There is an agenda that includes a number of ceremonies, as is usual in all visits of state. President Fujimori will meet several times with our president. There will also be several protocol occasions, as is usual in visits of state. [end recording]

Peru

State of Emergency Extended in Departments

PA2712190191 Lima Radio Programas del Peru Network in Spanish 1820 GMT 27 Dec 91

[Text] The government has extended the state of emergency for 60 days starting 27 December in the Huanuco and San Martin Departments, as well as Yurimaguas District, Alto Amazonas Province, Loreto Department.

In addition, the government extended the state of emergency for two months beginning 27 December in La Convencion Province, Cuzco Department, and the districts of Yanatili and Lares in the same department. The administration extended the state of emergency for 30 days in Azangaro Province, Puno Department, and for two months in (Chanchamayo) and Satipo Province, Junin Department.

In all these cases, the individual guarantees were suspended and the Armed Forces were ordered to assume control of internal order during the state of emergency.

Industry Minister Views External Tariff Talks

PA2812154591 Lima Radio Programas del Peru Network in Spanish 1800 GMT 27 Dec 91

[Telephone interview with Victor Joy Way, minister for industry, from Santa Fe de Bogota with unidentified reporter—live]

[Text] [Reporter] Good afternoon, Mr. Minister.

[Joy] Good afternoon.

[Reporter] Mr. Minister, this morning we talked with the person who is accompanying you on this visit to Colombia to search for the so-called joint external tariff. The result of this effort apparently was not too pleasing. This person told us the joint external tariff, supposed to be enacted in January 1992, has been unsuccessful. What do you think about this? Will this tariff be established later?

[Joy] As you said, we expect to conclude the deliberations of the Cartagena Agreement Commission in about one hour. The main purpose of this meeting was to accomplish the Cartagena presidential agreements, particularly the approval of the joint external tariff. We held a broad discussion with the minister of economy, who is in charge of the tariff policy, with the firm determination to approve a tariff. The technical commission of the Cartagena Agreement has drafted a proposal based strictly on the criteria outlined by the presidents. Although this proposal is not precisely the best one for us, we have expressed willingness to approve it. Unfortunately, the proposal will not be approved by Venezuela, Colombia, and Ecuador. This decision is unfortunate for us, because the presidential consensus is not being fulfilled.

[Reporter] That is right.

[Joy] We have remarked on this to the commission. As head of the Peruvian delegation, I have reported our dissatisfaction and surprise over the failure to fulfill the presidential consensus.

[Reporter] Is this a sort of disobedience, Mr. Minister?

[Joy] I am at a loss as to how to put it. This is an instruction that should have been carried out before 31 December of this year. The mandate, however, is not being complied with because of stands foreign to the president's decision. If the proposal is not approved, it would lead to unfair commercial competitiveness in our country. I am putting on record that, in view of the absence of a joint external tariff and compliance with the presidential consensus, Peru reserves the right to apply the necessary measures to correct this unfairness in competitiveness. We think that the main purpose of the Andean Group, which has [words indistinct], is integration of the Andean countries based on fairness.

[Reporter] It has been said that there was a lack of determination on the part of Colombia, Venezuela, and Ecuador, although not on the part of Peru and Bolivia, who firmly confirmed the presidents' stand. This frustrates Bolivar's dream for integration and creates a certain degree of mistrust, despite Peru's willingness to yield regarding tariff policies. Because of this noncompliance, will the presidents hold a new meeting to determine the stand to be taken, considering that the heads of state will have the final word?

[Joy] The Peruvian delegation will return to Lima as soon as possible, in order to report to President Fujimori. I understand this is what each of the delegations should do. A fundamental aspect of the Andean Group is its credibility, based on compliance with agreements or mandates. We came willing to do this. Even more, we and Bolivia approved a proposal that, as I said, is not the best from the viewpoint of our economic policy. We approved it, however, on behalf of integration and in the hope of enjoying a number of subsequent benefits that should derive from integration with equity. Unfortunately, this could not be. It will not be Peru that frustrates this great Andean plan.

[Reporter] We rest assured that we did our duty. Peru and Bolivia complied. Time will surely tell what will happen. Perspectives will surely be studied again.

[Joy] We have also reiterated the great presidential decision made in Cartagena to speed up the integration process and complete it in less than five years. This is a historical decision. But we are unable to make a decision on something that is already a directive. We have noted this so that the international public can become acquainted with it.

Petroperu Signs Oil Exploration Contract

PA2812163991 Lima Global de Television Network in Spanish 0132 GMT 27 Dec 91

[Text] The State Petroleum Agency [Petroperu] has signed a contract with B.G. Prospecting and Production, [B.G.] a local private corporation, for prospecting and the exploitation of hydrocarbons in the southern range section of Puno Department. This is the first contract Petroperu has signed during the current government with a corporation of Peruvian investors. B.G. operates on another section of land in the same general area, according to a contract signed years ago.

B.G. will now start prospecting in Lot S3, which has 500 hectares and is located in the south range in the Titicaca Lake basin. According to the contract signed with Petroperu, B.G. should spend at least $2.025 million in the prospecting stage alone, which will last two years. This is the second contract B.G. has signed with Petroperu. The Peruvian corporation has been working on Lot S2 since 1989.

Petroperu President Jaime Quijandria said this new contract stipulates the construction of a refinery should oil indeed be found in the area. In addition, B.G.

Corporation President Jose Poblete said they expect to exploit 107 additional oil wells in the lot that is currently assigned to them.

[Begin recording] [Quijandria] This is the first contract we have signed with B.G. in the framework of Decree 655. We have also signed a contract with B.G. for S2, for their preliminary prospecting in Puno Department. There is another corporation, specifically Gragni and Montero, working in Carpitas. They should begin drilling their first well in a few days. [end recording]

Quijandria said another five contracts would be signed shortly with U.S. oil companies, and that negotiations for five more are well underway. The estimated investment is approximately $150 million, which should pull the Peruvian oil industry out of its lethargy. Quijandria also announced plans to reactivate oil production in the northern jungles. He said that he agrees with the need to reach a quick agreement with (?Ain), a U.S. insurance company, which has demanded compensation for the amount it paid for the property expropriated from Belco.

[Begin recording] [Quijandria] Five contracts with U.S. companies are scheduled to receive final approval from the government in a few days.

[Reporter] How much investment would these contracts entail?

[Quijandria] The 10 new contracts to be signed should make an investment of $150 million. Five of these contracts are to be signed in a few days, and final approval by the government is pending.

[Reporter] Regarding the agreement with Belco, a number of criticisms have been made about the amount of compensation Peru will pay. How much is Petromar worth? How much can this company be sold for? Does this transaction represent a good profit for Peru?

[Quijandria] It is difficult to establish the net worth of a corporation, except with appropriate studies. I think the negotiating commission has had all the necessary information at its disposal. The harm to be sustained from litigation was greater than from seeking a solution in which each side would gain some of its objectives. In this specific case, the government is concluding expropriation proceedings that could not be completed. It was a situation that limited a number of activities; the first consequence was the drop in production. [end recording]

Uruguay

Foreign Minister Meets With Armenian Counterpart

PY2712010091 Montevideo EL PAIS in Spanish 22 Dec 91 p 15

[Text] In the second half of January, Uruguay will decide on recognition, as sovereign states, of the countries that were part of the USSR. A special Uruguayan Foreign Ministry working group will soon conclude its study of the subject, while the member countries of the "Rio Group" will also carry out consultations. Uruguay is also waiting for the decisions of great world powers such as the United States and the EC, which could be known by January 1992 since the USSR will legally disappear on 1 January 1992.

Uruguayan Foreign Minister Hector Gros Espiell received Armenian Foreign Minister Raffi Hovhannesyan and Deputy Economy Minister Armen Darpinian.

Gros Espiell said that once the republics of the Ukraine, Belarus, the Russian Federation, and Armenia—among other former members of the USSR—are recognized, the Uruguayan diplomatic representation accredited before the former USSR will be accredited to the Russian Federation, concurrently with the new independent republics.

The Armenian foreign minister said his country is particularly interested in maintaining close diplomatic and trade ties with Latin America. This is why the Armenian Foreign Ministry wants a permanent Uruguayan ambassador in Yerevan, the capital of Armenia.

In the name of Uruguay, Gros Espiell told his Armenian counterpart of Uruguay's full recognition of "what this heroic people have done in their permanent struggle for freedom (...) and of everything that Armenian immigration has contributed to our country."

As for recognition of the Republic of Armenia, Gros Espiell said he told Hovhannesyan that the government is studying "with utmost care and attention, without any hasty decisions, and with a total sense of responsibility, recognition of the republics that were members of the USSR."

He said that a special working group is studying recognition of the Russian Federation, Belarus, the Ukraine, and other nations, "among which we have included Armenia as a priority."

Gros Espiell could not say when Uruguay will give official recognition, "but I hope to have the results of the study soon (...) the Uruguayan position, by about the third week in January. I can assert, however, that when the decision is made, Armenia's situation will be a priority," he said.

He also said that the special working group's study is also considering other aspects such as the deliberations of the Slav republics, the "Rio Group" consultations, and the personal talks President Lacalle will hold with Argentine President Carlos Menem, who will visit Uruguay on 27 December.

Gros Espiell said that for the time being, Uruguay is considering recognition of Armenia as a sovereign state. Once a decision is made, "we will discuss diplomatic relations between Armenia and Uruguay."

In turn, Deputy Economy Minister Armen Darpinian said that the situation in his country is no different from

the economic crisis in the former USSR since it was one of USSR's members until now.

Unlike other former Soviet republics, Armenia is taking firm steps toward privatization of the production sectors. The clearest example is that 70 percent of the productive land has already been privatized, and other similar measures will soon follow, Darpinian said.

He added that his country has declared its independence and is taking important steps to obtain the international community's recognition within the framework of international law in order to later discuss economic aid.

Minister Hovhannesyan described the meeting with Gros Espiell as "warm and productive." He said his country has begun to move toward independence "along a constitutional and democratic" path. A state "where human rights and the rights of minorities" have been established, "and where we are trying to establish a free market economy," he said.

He added that Armenia has already been recognized by other countries such as Russia, Lithuania, and Romania, all of whom are former members of the Soviet bloc. [sentence as published]

"We think Uruguay will be faithful to the principles it always maintained, respecting human rights and the self-determination of the peoples. The international community will also understand that our process is irreversible and it will recognize us," he said.

Menem, Lacalle Sign 10-Point Joint Declaration

PY2812111691 Buenos Aires TELAM in Spanish 2257 GMT 27 Dec 91

[Report by special correspondent Luis San Martin from Punta del Este, Uruguay]

[Text] Punta del Este, 27 Dec (TELAM)—Argentine President Carlos Menem and Uruguayan President Luis Alberto Lacalle today signed a joint declaration in which they decided, among other things, to eliminate—effective 1 January—all bureaucratic requirements for crossing their common borders and to call for international bids on 1 July for the construction of the Buenos Aires-Colonia bridge.

The joint declaration was signed by the presidents and their two foreign ministers at Maldonado City Hall. The document covers 10 points that include agreements on fishing, natural gas, the dredging of channels leading to Martin Garcia Island, the financing of the Salto Grande hydroelectric project and the Southern Cone highway system, and navigation through the River Plate basin and waterway.

In point two of the document, the two presidents state their decision to eliminate—effective 1 January 1992—the requirement for customs immigration cards for people and vehicles at all border checkpoints and means of transportation linking the two countries.

It has been noted that checks in border areas "will be carried out randomly and on a sampling basis," probably checking one out of every 1,000 cars. It has been added that "a meeting will be held in April 1992 to evaluate the results of this decision."

Regarding construction of the Buenos Aires-Colonia bridge, the presidents reaffirmed their decision to implement the project and decided to order the preparation "within a 120-day period of the specifications that will make it possible to call for bids before 1 July 1992 for the implementation of the project through the system of concessions for public projects."

Regarding fishing, they reiterated the need to preserve fishing resources in their shared fishing zone in the sea in order to ensure "their rational, adequate exploitation and the preservation of all species, including those that are less exploited at this time."

They emphasized that "the two countries have started a combined policy at the level of a joint technical commission on the sea, which seeks to bilaterally establish areas banned for fishing within their shared fishing zone."

Regarding natural gas, the two presidents also expressed their satisfaction with the signing of a memorandum of understanding on the duration of the agreement on gas supply to Uruguay signed on 8 July 1991 in Buenos Aires.

Presidents Menem and Lacalle conveyed their satisfaction for the progress made by the commission charged with researching the River Plate basin for the initiation of the dredging work, and the laying of buoys in and maintenance of the channels of the River Plate in the Martin Garcia Island zone.

They remarked on the efforts made by their two foreign ministries "to complete and update the Salto Grande hydroelectric project," for which "discussions were held to review financial aspects and common actions to be taken to make better use of this water resource."

Regarding the Southern Cone highway system, the two presidents reaffirmed their common interest in expediting its construction in accordance with the terms of the joint communique signed on 17 Decemoer by the Common Market of the South's four member countries.

Regarding the River Plate and its waterway, they commented on the progress made in the latest meeting of foreign ministers held in Asuncion, and they entrusted the Argentine and Uruguayan foreign ministers with proposing to the other countries that initialed the waterway project—Bolivia and Paraguay—to expedite the processing for the signing of the agreement and to register it at the Latin American Integration Association (ALADI).

General Strike Ends on 18 Dec Without Incidents

PY1912222491 Madrid EFE in Spanish 0330 GMT 19 Dec 91

[Text] Montevideo 18 Dec (EFE)—The first 36-hour general strike since Uruguay returned to democracy concluded at midnight on 18 December. There were no incidents, and a series of meetings were held between government officials and union leaders to evaluate events.

President Luis Alberto Lacalle, who returned today from Brasilia, where he participated in the Common Market of the South (Mercosur) presidential summit, met with his main advisers after an unofficial meeting with journalists in which he gave them the traditional year-end greetings.

Tonight Lacalle made an evaluation of the conflict, during which the workers harshly criticized the government's economic policy.

The strike in support of port workers, who are on an indefinite strike because they oppose the privatization of the services of maritime terminals, was only partial, although inactivity increased during the last few hours of 18 December, when the emergency transport services—which covered 50 percent of the usual frequencies—ceased to exist.

The conflict basically affected state services in the central administration, public enterprises, and organizations, and the municipalities.

The strike largely affected Montevideo, while in the interior work was practically normal in private enterprises.

The general strike also served to help the main workers' central evaluate its power to call a strike.

The East European crisis, the fall of the communist regimes, and the failure of Marxist socialism have profoundly affected Uruguay's left and the union movement, which is mainly controlled by Communist Party members.

Moreover, the economic crisis, the loss of purchasing power, and the government's hardening of its stance regarding unions that are in conflict acted as a unifying factor for the proletarian class despite the collapse of communist ideas.

For the government the strike will be a factor with which to measure the future consequences of the industrial reconversion that Uruguay is committed to after becoming a member of Mercosur, an economic zone without borders between Argentina, Brazil, Paraguay, and Uruguay that will go into effect on 1 January 1995.

Montevideo Port Workers Lift 20-Day Strike

PY2112023091 Montevideo Radio Carve in Spanish 2300 GMT 20 Dec 91

[Excerpt] The Port Workers Union reported today that it has lifted the strike that has paralyzed the Montevideo port for the last 20 days. This decision was made after a meeting held by union leaders with the Labor Ministry and delegates of the PIT-CNT [Interunion Workers Plenum-National Convention of Workers].

The union leaders and Labor Ministry officials gave no details of the final agreement. The port workers will return to work tomorrow morning. [passage omitted]

Venezuela

Oil Industry Reports 1991 Production Figures

PA2812193491 Madrid EFE in Spanish 1943 GMT 27 Dec 91

[Text] Caracas, 27 Dec (EFE)—In 1991 the Venezuelan oil industry produced 2.441 million barrels per day [bpd] of crude oil, including condensed and natural gas liquids, according to reports by subsidiaries of the state-owned company Venezuelan Petroleum, Inc. (PDVSA) that were made public in Caracas on 27 December.

Maraven, a PDVSA subsidiary, has reported that it produced 834,000 bpd of light, condensed, heavy crude oil as well as natural gas liquids.

Corpoven, another PDVSA subsidiary, reported that its 1991 production was 635,000 bpd, while the Lagoven subsidiary registered 972,000 bpd.

The corporation subsidiaries indicated 1.135 million bpd of oil were refined at PDVSA installations in Venezuela in 1991.

According to the information provided by the PDVSA subsidiaries, this year the export of crude oil and its by-products amounted to 2.098 million bpd, while sales to the local market totaled 315 [number as received] bpd of products.

Celestino Armas, minister of energy and mines, has reported that in 1992 the level of production of hydrocarbons will be of 2.316 million bpd, of which 2.158 million barrels will be crude oil, 37,000 condensed oil, and 121,000 natural gas liquids.

The reduction in output for 1992, estimated at 125,000 bpd of oil compared to 1991, was based on the premise that Iraq and Kuwait will meet part of the world demand for petroleum next year.

* Sharp Drop in Foreign Investment Expected

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[Article by Fanny Perez V.]

[Text] Cumulative foreign investment in the country had reached a total of $4.053 billion by the beginning of October. A comparison of this figure with that in December 1990, when the foreign-investment total was $3.864 billion, shows that the real increase in foreign investment in the country during the first 10 months of the year has been $154 million.

In this connection, we believe that the official prediction of an increase in foreign investments of $700 made by the Cordiplan [Office of Coordination and Planning] at the beginning of 1991 is not very likely to be realized, with the resulting effect on the balance of payments at the end of the year.

This result has greatly to do with the collapse of aluminum megaprojects which have not been carried out because of the drop in the world prices of the raw material. This decline, in turn, is the result of the accumulation of inventory by both the Soviet Union and Brazil (4 million tons).

Superintendent of Foreign Investments Anselmo Chuecos has admitted that the debt-conversion mechanism was very attractive in the beginning, since bonds were available at a low price (28 percent in relation to their face value). However, they have now acquired a much higher value on the secondary market.

"The program for restructuring the foreign debt adopted by the executive branch, as well as the program of macroeconomic adjustments, contributed to the higher price of the debt bonds, with the result that the debt-conversion mechanism lost its attraction," this official noted. He added that the large projects are now less profitable, and investors are unwilling to see them through.

With regard to the foreign-investment projects assigned directly, and the others allocated on the basis of auctions, there have been no problems.

"The 1986 Commission established a discount rate of 14 percent for them, and more recently, the discount rate was reduced to 11 percent. All of these projects are virtually completed, except for one in the tourism sector for which financing could not be obtained. Subsequently, the Central Bank of Venezuela provided it with a bank guarantee.

The superintendent of foreign investments said that 30 percent of the megaprojects should be carried out on the basis of the debt-conversion scheme, while for the other 70 percent, there should be an input of self-financing, or fresh money. He said that the executive branch cannot force investors to carry through with projects because they involve sizable investments, and there is now an imponderable factor—the drop in the price of aluminum on the international level.

Decline Foreseen for 1991

If a projection is drafted on the basis of the foreign-investment figures provided by the government sector, it is clear that there will be a decline of approximately 60 percent in 1991 in comparison to the total for the preceding year.

We see that foreign investment came to a total of $450 million in 1990 (official figures). Since for the first 10 months of 1991 the total was $154 million, representing a monthly rate of $15 million, direct new investment should reach $180 million by the end of 1991. This is less than half the figure reached last year.

Plainly, then, the official estimate of the increase in direct foreign investment in 1991 would have to be lowered by a substantial amount. The executive branch issued an estimate of $700 million, so that the total will fall some $500 million short.

According to the foreign-investment indices recorded in the first 10 months of the year, the figures were as follows:

	Total in Millions of Dollars	Number of Operations
January	8	16
February	3	18
March	6	20
April	28	39
May	22	24
June	11	5
July	17	6
August	17	6
September	25	4
October	12	12
Total	154	150

During the first 10 months of 1991, the amount of the investment in each operation slightly exceeded $1 million. In other words, there were many operations of limited size.

Of the $154 million obtained by the country during this year, direct foreign-exchange contributions accounted for $87 million, debt conversion accounted for $20 million, the capitalization of credits $39 million, and the purchase of assets $5 million.

Three countries account for two-thirds of these new foreign investments in the country. Holland accounted for investments totaling $32 million. English enterprises, which provided resources totaling $30 million, ranked second, followed by United States corporations, whose operations accounted for $30 million.

Where the interest aroused in foreign investors by the various sectors of Venezuelan economic activity is concerned, we note that capitalization in the manufacturing

industry came to $136 million, that in trade $8 million, and that in financial services $4 million.

Among the enterprises which made new investments in 1991, there are a number which we might mention. Unilever of Venezuela, Venepal, Mavibel, Lamaco Holding, Nardi, the Marubeni Corporation, Upjohn Laboratories, Caroni Refractories, the Chase Manhattan Bank, Phillips, Liquid Carbonic Corporation, Tropical Fruit, Venezuelan AEG, and Bera Holding in Bera of Venezuela (Bahamas enterprise), which made a foreign-exchange contribution. Prestige Beveragen Industrias Pampero. Ten foreign enterprises in Venezuelan Ferrosilicon put in surplus capitalization. Sandoz of Venezuela received an increase of capital from its home office. Selec Southern in Vencemos (purchased stocks); Middlestown in DHL; Air Freight (purchased stock); Canadian Kay purchased stock in Ferrostal; and the Marubeni Corporation purchased stock in OPCO (an enterprise in the southern part of Orinoco) using the debt-conversion mechanism. The Aluminum Company of America made a capital contribution to the ALCOA firm (aluminum megaproject) of $493,000. Pirelli Holding contributed capital to Pirelli of Venezuela. Vargas Laboratories capitalized their debt with foreign enterprises in the amount of more than $1 million, and the Abott Laboratories received capital contributions from their branch in Panama in the amount of $2.5 million.

In connection with the foreign-investment total, it should be explained that while a nominal increase can indeed be seen in "cumulative investment" in 1991, it is "new foreign investment" which is tending to decline. This last figure is the really important one for measuring the interest investors have in the country when it comes to investing fresh capital. Cumulative investment is that which has been made in the country since 1974, the year in which the Foreign Investment Superintendency was created and investments began to be registered. This figure remained unchanged until 1989, when the new juridical plan for foreign investments (Decree 727), as well as the plan for the conversion of debts into investments, was promulgated.

Taking that figure as a basis, the remainder represents the increases in investment, defined as the new contributions of capital coming from other countries. Because the conversion of debt into investment was put into practice in 1990, it was then that, for the first time in many years, a substantial movement in foreign investments was seen. During the decade of the 80s, investments did not exceed $20 million per year.

When the norms for debt conversion were applied—to the aluminum megaprojects, in particular—the government sector, through the intermediary of its most important spokesman, expressed enthusiasm about the expected notable increase in this category, which would bring substantial capital into the country in 1990 and 1991. Unfortunately, the results have continued to fall short of the prognostications, as shown by the government indicators themselves, revealing a serious lag and slowness in investment growth.